

NATION'S BUSINESS



OCTOBER • 1934

A Sound Way to Finance Unemployment

H. W. Story, Vice President, Allis-Chalmers

We Must Continue Crop Control

M. L. Wilson, Assistant Secretary of Agriculture

PUBLISHED BY THE CHAMBER OF COMMERCE
OF THE UNITED STATES • WASHINGTON

Business partners for 33 YEARS



A True Story of One Man's Success

AS A young man shortly after the turn of the century, George Boyd* made a discovery that affected his entire business career. At that time he was secretary to the general agent of a Middle Western railroad. This agent personally solicited business from the large shippers in his area.

Young Boyd found that by using the telephone to follow up these visits, he could get much business in addition to that obtained by the agent on his personal calls.

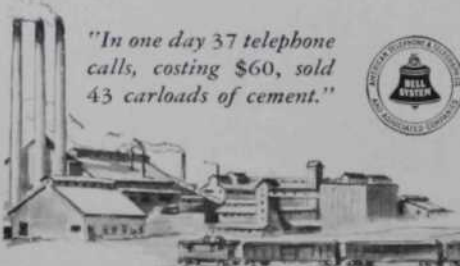
His success won him recognition, and eventually he was offered the position of general sales manager of a portland cement company. Here he applied the same method with profitable results. His salesmen visited their customers at frequent intervals, but often found them not ready to buy at the moment.

"Daily, systematically, we followed up the salesmen's personal visits in all parts of the territory with Long Distance calls from the home office," says Mr. Boyd, "and found that we could often secure

enough additional business to keep our packing plants going constantly."

Later Mr. Boyd became vice-president of a new cement company. In ten years, through the support given by telephone selling to the salesmen in the field, this concern—starting from scratch—developed its business to \$3,000,000 a year.

At the present time he is regional sales manager for a large coal corporation. Approximately 60 per cent of all sales are made by telephone from his office; and in the territories the salesmen make half their sales the same way. Last year the business showed its fifth annual increase in tonnage since he took over the job.



"In one day 37 telephone calls, costing \$60, sold 43 carloads of cement."



"Last year Long Distance helped us increase our tonnage substantially."

"There is no question," he says, "but that business coming out of any territory where you have personal solicitation can be increased by using Long Distance on a planned basis."

Executives in many lines of business are using Long Distance with similar results.

** This story is based on an unsolicited letter in the files of the Bell System. For obvious reasons, "George Boyd" is not the writer's real name.*

THE MONROE CALCULATING MACHINE COMPANY, INC.

EXPANDS ITS NATION-WIDE FIGURE SERVICE

BY PRESENTING

The New **MONROE-GARDNER**

The New Monroe-Gardner represents an entirely new principle in accounting, bookkeeping, and listing machines. It is speedy, flexible, simple, and really portable. Sold, serviced, and guaranteed by Monroe, this revolutionary new machine is backed by all the facilities of the nation-wide Monroe organization of 150 factory-owned branches.

THE TWO NEWEST MACHINES IN THE MONROE LINE



The Newest
MONROE
"SPOT-PROOF" ADDING-CALCULATOR



The New
MONROE-GARDNER
BOOKKEEPING MODEL

Monroe engineers, pioneers of the industry, through 25 years of experience, have developed the Calculating Machine that is the standard the world over—the fast, light, simple, flexible Monroe.

After five years of research, these same basic Monroe advantages have been applied to the New Monroe-Gardner accounting, bookkeeping, and listing machines.

Because it is radically different—small,

speedy, and flexible—the New Monroe-Gardner is the only machine that exactly fits the accounting needs of today. It is so light that it can easily be carried from desk to desk, from department to department.

Call the nearest Monroe office. You really owe it to your business to see these newest Monroe developments applied to your own work. Monroe Calculating Machine Co., Inc., Orange, New Jersey.

The Monroe organization also sells, services, and guarantees Defiance check writing equipment



"What's that they're saying, Henry?"

"They're saying, 'The average age of GOLDEN WEDDING RYE is 4 years old . . . and it's ALL whiskey.' But that won't interest you."

"Want to bet on *that*, too, Henry?"



Don't Guess—Demand **GOLDEN WEDDING RYE**

AVERAGE
AGE **4 YEARS OLD**

Golden Wedding also
obtainable in BOURBON

For really fine gin . . .
try Silver Wedding Gin

A *Schenley* PRODUCT MADE IN U. S. A. . . . LOOK FOR THE MARK OF MERIT

Copyright, 1934, Jos. S. Finch & Co., Inc.

This advertisement is not intended to offer this product for sale or delivery in any state or community wherein the advertising, sale or use thereof is unlawful.

RECOVERY REPORTS ON AMERICAN BUSINESS



Above: The
New Class 1700
Addressograph

"ADDRESSOGRAPH METHODS

Have Solved Our Shorter-Hour Problem"

In this new era of limited working hours . . . no overtime . . . higher wages . . . Addressograph is of even greater value than at any time since it began serving business, 40 years ago.

Today Addressograph is helping thousands of business men take full advantage of new and unusual opportunities. It is speeding office and factory routine . . . reducing expenses and overhead costs . . . aiding in campaigns for increased sales.

Whether your business is large or small, Addressograph will save money in every department. It gets work done on time . . . without mistakes . . . with a minimum of effort. It takes the drudgery out of many office jobs.

Look over the partial list of uses shown at the right. Many of these apply to your business. Remember, Addressograph will pay for itself on any one of these jobs. You will want to use it for several.

Our representative, who is constantly in your vicinity, is thoroughly trained in name and data writing economies. He will gladly talk over with you the many ways Addressograph effects savings and can increase profits in your business. No obligation, of course. Consult your phone book, or write to

ADDRESSOGRAPH COMPANY

Division of Addressograph-Multigraph Corporation • Cleveland, Ohio
OFFICES IN ALL PRINCIPAL CITIES OF THE WORLD



THE
ADDRESSOGRAPH
LINE INCLUDES
MORE THAN 50
MODELS . . . PRICES
AS LOW AS \$42.50

Addressograph

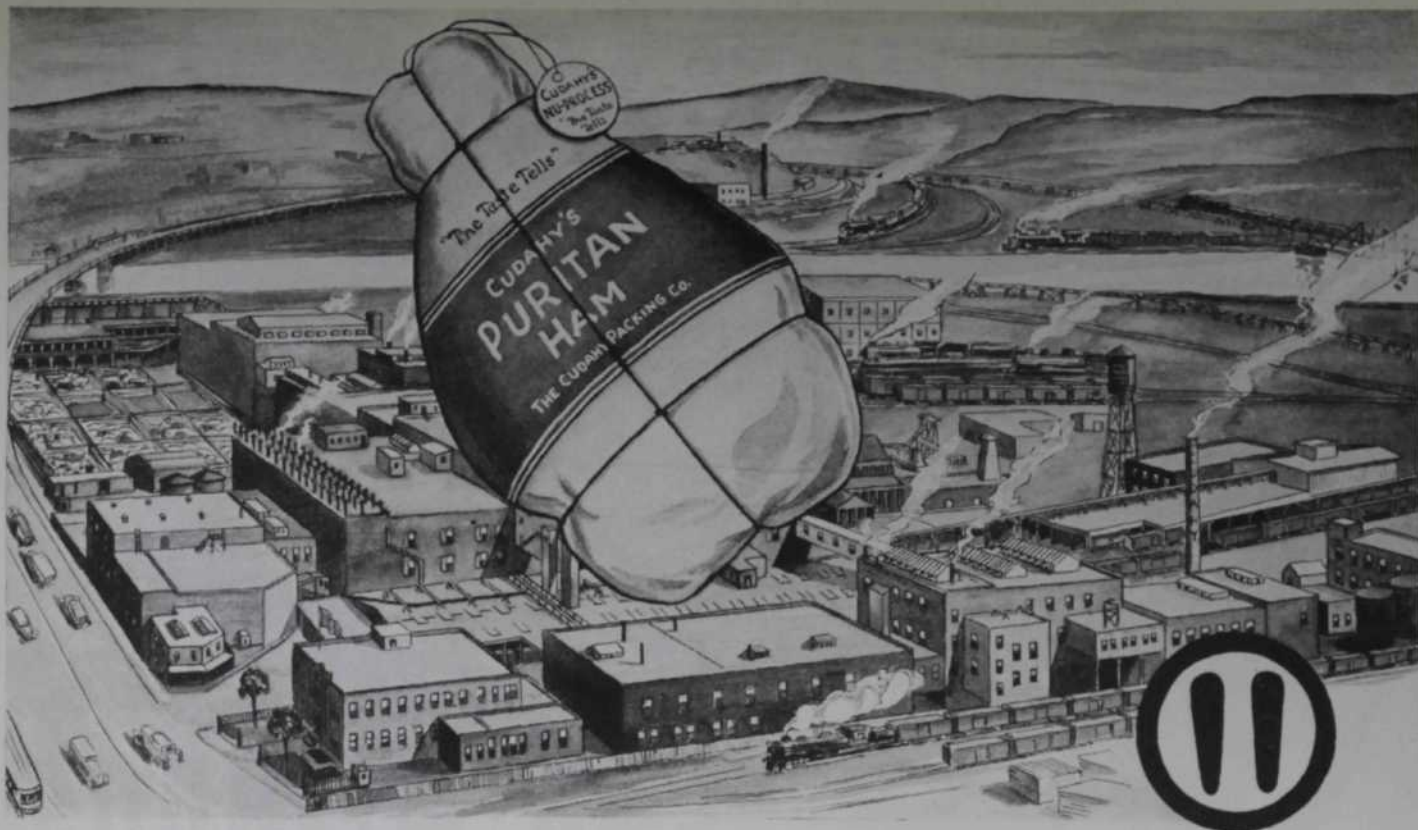
TRADE MARK

MORE THAN AN ADDRESSING MACHINE

ADDRESSOGRAPH DOES THE WORK 10 TO 50 TIMES FASTER

FROM A COMPLETE TYPING UNIT
IT PRINTS:

Names and numbers on time cards ✓
names, operations and rates on piece-work tickets ✓ names, rates and deductions on pay roll sheets ✓ names, numbers, dates and amounts on pay checks ✓ information on pay envelopes ✓ customers' names, addresses and dates on bills and ledger pages ✓ addresses on direct mail advertising ✓ instructions on production orders and schedule cards ✓ data on tabulating cards—items and operations on cost sheets—data on many other factory forms ✓ dealers' names and addresses on sales helps ✓ names, addresses and salutations on sales and collection letters ✓ names and addresses on announcements, price lists and bulletins ✓ stock items on inventory sheets and assembly requisitions ✓ names and addresses on shipping tags and labels ✓ short messages on post cards and package inserts.



The Cudahy Packing Co. saves 50% on billing and shipping paperwork — with DITTO

BEFORE Ditto came on the job, the Kansas City plant of The Cudahy Packing Company used a carbon manifolding system for writing up its orders. It was a laborious job—two girls copying salesmen's orders, one girl checking, and one girl at a tag addressing machine.

Now, two boys and Ditto do the whole job, releasing the girls for more important work. With Ditto there is no recopying of salesmen's orders, no addressing of labels and tags, and most important of all—*Absolute Accuracy*. The elimination of errors provides an even greater saving than the reduction of labor.

By the Ditto method, each salesman carries a Ditto pencil with which he writes up his orders. From this first writing Ditto makes all of the 21 copies necessary to fill and bill the order, as well as any tags or labels

required. The salesman is sure that each order will be handled, and even the shipping tag made out, exactly as he writes it. The same system is now in use in all of the larger Cudahy plants.

Wherever copies are used or ought to be used Ditto saves money, because it eliminates rewriting and rechecking. From one original—which may be written with pencil, pen and ink, or typewriter—Ditto makes 100 or more clean copies. It's easy, quick, error-proof. No type to set—no stencils to cut.

In every line of business, small concerns and large show how Ditto has saved them many times its cost—in the first year. Write today for information on how Ditto can help you in your business. It costs nothing and may mean substantial savings for you.

DITTO INCORPORATED,
Chicago, Ill.

NB-1034

Gentlemen: Please give me full facts about Ditto . . . How it cuts costs in Billing and Shipping . . . also its many other uses. No obligation, of course.

Name _____ Title _____

Concern _____

Address _____

City _____ State _____



Ditto

INCORPORATED
2243 WEST HARRISON STREET
CHICAGO, ILLINOIS

NATION'S BUSINESS for October • 1934

Volume 22



Number 10

	PAGE
Through the Editor's Specs	7
Progress in Blinders <i>Merle Thorpe</i>	13
Sound Unemployment Protection <i>H. W. Story</i>	15
The Railroad Pension Law	18
Watching Washington <i>Frederick Shelton</i>	19
We Must Continue Crop Control <i>M. L. Wilson</i>	22
Britain Solves Her Housing Problem <i>Herbert N. Casson</i>	25
More Ways to Prime the Business Pump	26
Formula for Reviving Opportunity <i>Paul H. Hayward</i>	28
Needless Worry About the Grocer <i>Paul Findlay</i>	31
Those New Government Factories <i>Paul McCrea</i>	33
Can We Make Everybody Rich? <i>J. Warren Bishop</i>	38
The Map of the Nation's Business <i>Frank Greene</i>	48
No Business Can Escape Change	53
A Definition of Business	59
A New Business Census	65
New Ideas in Selling	66
What Bankers and Investors Discuss	79

CHAMBER OF COMMERCE OF THE UNITED STATES

MERLE THORPE, Editor and Publisher

Managing Editor, WARREN BISHOP
Associate Editor, RAYMOND C. WILLOUGHBY



Business Manager, J. B. WYCKOFF
Director of Advertising, E. V. THOMPSON
Circulation Manager, LAWRENCE F. HURLEY

GENERAL OFFICE—Washington, United States Chamber of Commerce Building.
BRANCH OFFICES—New York, Graybar Bldg. San Francisco, Merchants Exchange Building. Dallas, 1101 Commerce St. Chicago, First National Bank Building. Atlanta, Chamber of Commerce Building.

As the official magazine of the Chamber of Commerce of

the United States this publication carries authoritative notices and articles in regard to the activities of the Chamber; in all other respects the Chamber cannot be responsible for the contents thereof or for the opinions of writers. SUBSCRIPTION RATES: Three years, \$7.50; one year, \$3.00. Canada: Three years, \$9.00; one year, \$3.50. Please notify us promptly of change of address—Nation's Business, Washington, D. C.

THEY MAKE FACTS

VIVID

...and make costly errors impossible

THIS is a business of millions — of dollars and details.

A slight error in one detail may mean a loss of many dollars. And an anxiously waiting customer. For industry and the public depend heavily upon this great business.

So the old method of copying facts by hand is out.

And well it may be.

A Vivid Duplicator quickly makes all the copies necessary to enter,

verify, cost, ship, invoice and record every order that crosses the desks of the Sales Department, and moves through the Plant—without rewriting, without delay, without error. So it *makes vivid* the facts on which the business profits are built.

What can it do for you? We should like to illustrate. We should

like particularly to show how, on top of everything else, it pays for itself out of day-to-day savings.

L C SMITH & CORONA TYPEWRITERS INC.
VIVID Division, 701 E. Washington Street,
Syracuse, New York. (Dept. NB-10)

Gentlemen: Please send us literature about the Vivid Duplicator. Tell us how it applies to our business.

Name _____

Address _____

Why They Use Allegheny Steels

"Some Day I'll Find You"

MANY ENGINEERS, seemingly, have used Noel Coward's hit as a theme song in selecting stainless steels to solve their problems of corrosion or heat resistance. The industrial morgues are filled with their mistakes.

This group of steels exerts so many and different properties that it does not suffice merely to specify a certain grade of stainless steel. The engineer and metallurgist must consult and study their problem deeply before selection can be made. The particular application, the chemistry of the alloy, the facility with which it can be fabricated, the type of service to which it is subjected, the question of cost,—all these factors bear on the decision.

ALLEGHENY STEELS constitute a complete range of corrosion and heat-resisting alloys. We invariably solicit consultation by engineers who desire to use our products, in order to combine the knowledge of both user and producer in selecting the particular alloy most suitable for the job.

Maybe it's PERMANENT

THE STAINLESS STEEL corrugated roof on the No. 1 plant of the Pittsburgh Plate Glass Company at Creighton, Pa., laid in 1925 and never even painted, is as good today as the day it was installed. Six years was the maximum life for ordinary sheet iron roofs formerly used. The acid-laden atmosphere of the glass plant and the sulphurous smoke of the Pittsburgh region made short work of them.

The stainless roofing sheets are only 18/1000 thick and extremely light in comparison with galvanized iron. In addition to large savings on paint and repairs, the ALLEGHENY METAL roof permitted considerable reduction in structural supports. Incidentally, the No. 2 plant was roofed with ALLEGHENY METAL in 1926, a year later. Same story!

.....

ALLEGHENY METAL—the time-tested stainless steel of universal application—is manufactured by the ALLEGHENY STEEL Company, Brackenridge, Pa.; who also manufacture electrical sheets, auto body sheets, metal furniture sheets, black sheets, castings, pipe, and boiler tubes; whose products are carried in stock by all Jos. T. Ryerson and Sons, Inc. Warehouses, by Dunham, Carrigan and Hayden Co., San Francisco, and by Union Hardware and Metal Co., Los Angeles. ALLEGHENY METAL is manufactured pursuant to license from the Chemical Foundation, Inc., under basic patents No. 1,316,817 and 1,339,378.

ADVERTISEMENT

Through the Editor's Specs

"I leave them poor"

FROM every section comes the disturbing report that the fallacy of "share the wealth" and "redistribute the income" is more and more widely accepted. It is a two-edged tragedy, because such a plan, if put into operation, would ruin a small group and yet prove a delusion to millions of other citizens. Proponents of the Utopian magic are impatient of facts. They do not stop to listen, when, for example, figures are produced to prove that if all the income of the managing classes, of the owners of industry, as represented by stockholders; of those who have lent their savings to such enterprises, the bondholders, were distributed to labor, it would mean an increase to the working man of something less than \$10 a month additional, with no provision for the unemployed.

As to the "share the wealth" movement, sponsored by a United States Senator, only tragic disillusionment and false hopes await the hundred thousand citizens, who, it is reported, have joined such an organization.

Consider citizens lined up before, say, Henry Ford's pay window to receive their share of Henry Ford's wealth. The cash would soon be gone. And the next man in line would be told that his share consisted of a piece of machinery, of buildings, of good will, of automobiles in transit, both on rail and on conveyor—what then? Division is, of course, absurd. Even if it were practical, such wealth would be a liability in the absence of management and a going concern—a liability to pay taxes, insurance and to pay the watchman patrolling the idle building.

The alluring prospectus, sent out enclosed in an envelope bearing the return address of the United States Senate, promises to give each individual \$5,000 by the simple expedient of dividing up only one-third of the country's wealth. (It is too bad that the Securities Act and the Federal Trade Commission have no jurisdiction over such proposals to the public!)

Even if such an absurd proposition

could be given a false-face of practicality, the distribution would have to be made over again at nine o'clock tomorrow morning. Such is human nature.

Napoleon, returning from a disastrous campaign near the close of his reign, was called to his balcony by the cheers of thousands of Frenchmen who had gathered to hail him. Looking down upon them, he said:

"Why do they cheer? What have I done for them? I found them poor and I leave them poor."

Rarely is the demagogue so honest. Usually self-hypnosis causes him to forget the tragedy of past sophistry in the enthusiasm of a new brand.

Federal dole vexes

PROFESSOR Westerfield's article, "Government Aid is Ruining My Home Town," in our August number, brought many responses. From England came this, as told by a distinguished British doctor:

A patient under my care in a hospital had been on the dole. We had been able to aid him and finally to release him from the hospital as able to work.

He was directed to call on a man who had a job for which the ex-patient was exactly suited.

I saw him a few days later and asked him if he got the job.

"Well," he said, "I went and looked it over but I decided I didn't want it. I'd rather keep independent."

The incident, light in its tone, has a bitter moral.

Charity, necessary, inevitable, is yet, to many, an undermining thing. Given aid by Government, men rapidly come to look upon it as a right. If a man fails to find a job or if a job fails to find him, then the Government must take care of him. To many, perhaps to most, accepting charity is a thing to be dreaded, to be avoided at any cost, but once accepted the conscience grows callous. Federal support deadens the normal local abhorrence of waste and chicanery. Local supervision of local funds whets the interest as to how the money is spent, as to who is receiving help. When it comes from far-off Washington, it is regarded as manna from the skies, and the local

The George Washington

— STILL —
the most wonderful train
in the world

... and some
of the things
that make it so



Plenty of easy chairs, late
magazines and lamps in
the lounge car.



A fine radio . . . good
companions . . . no wonder
the hours seem short!



Select an inviting dinner
for as little as seventy-
five cents.



No need to omit between-
meal snacks. Buffet serv-
ice in the lounge car.



Three years ago Chesapeake and Ohio reached boldly into the future and produced The George Washington—the first genuinely air-conditioned long-distance train. But air-conditioning was not its sole contribution to travel comfort. Schedules permitted departure at a convenient break in the business day, arrival at a logical hour in the morning. In every detail—from the Colonial carpet to the collector's prints on the ivory walls of the Tavern car, from the Duncan Phyfe chair at the dinner table to the cheerful lounge cars, from the simple buffet service to the tastefully served dinner—The George Washington gave the world something entirely new in railroad transportation. Early American in spirit, modern American in its democratic prices, The George Washington today carries forward the finest traditions of American taste and comfort.



incentive, human behavior being what it is, is short-sighted enough to desire more and more.

And there is another danger. In creating the false feeling that it comes as a "right," it stimulates strikes.

A job is a much more casual thing if its holder knows that he will not suffer if he quits it. Of our many problems, the federal dole is easily our greatest.

On trading jobs

IT is no trick to pick flaws in management. Not so easy to mend defects once criticism steps into the boss' shoes. So found 50 strikers at the plant of the National Mirror Specialty Company, Manorville, Pa.

A committee marched into the office of Leon H. Samuels, owner, and demanded an eight-hour day, a five-day week and a minimum wage of 30 cents an hour. "Tell you what I'll do," the boss replied. "I'll turn the plant over to you. You do the managing, fix the hours of work, take your wages out of the profits and pay me as a salesman."

The men put their heads together. Then they announced that they didn't have enough experience to take the wheel. Their boss thought their demands unreasonable.

"How do you expect a man with experience to do something you can't do?"

Thus complicated with demand and question the problem was referred to the mediator of the regional labor board at Pittsburgh.

Nothing new, of course, in the idea of putting complaint to the test of authority. An eighteenth century English schoolmaster phrased it:

"Whenever I met with a boy particularly mischievous," he said, "I made him a monitor. I never knew this to fail."

Economic health thermometers

WHATEVER else this is the age of, it can readily qualify as the age of statistics. An entire national philosophy can be built up—and torn down—with figures. The place of the United States in world economy has a way of passing into the realm of the purely figurative by political yardsticks. For comparative realism the index numbers of industrial production as worked out by the League of Nations invite consideration. The League's Monthly Bulletin of Statistics for August records industrial production indices of 15 countries. In view of conflicting recovery claims, the ranking of the several

George Washington's Railroad
CHESAPEAKE and OHIO
Lines
Original Predecessor Company Founded by George Washington in 1785

The ticket agent of any railroad can route you on the Chesapeake and Ohio. Insist upon it!

nations on the basis of the League's calculations is set forth:

Japan	139.8
Chile	125.6
Norway	111.0
Sweden	107.7
Great Britain	103.3
Hungary	90.9
Germany	88.5
Italy	85.6
Canada	80.8
France	78.0
United States	77.5
Czechoslovakia	73.4
Belgium	70.2
Austria	68.1
Poland	62.1

New order "success" story

IN New York City the other day the Market Commissioner revoked a license for a frankfurter stand in an open market place on the ground that the man who ran the stand had made such profits that his wife had bought "a \$40,000 apartment house." That was too much—a man whose wife could buy a \$40,000 apartment house shouldn't have a license to sell hot dogs in a city market.

But further reports complicate the case. The husband has asked the courts to overrule the Commissioner. In effect he says:

Sure, my wife bought an apartment house. She paid \$3,500 down on \$40,000 and she's paid another \$1,500 to reduce the mortgage to \$35,000. But the best she can get is \$400 a month income from the building, and when she's paid taxes, income and upkeep, there's no profit.

Why don't you get after my son. He has a flower stand and makes, maybe, a dollar a day. He's putting himself through college with that but he isn't a property holder, so you let him alone. What's it all about? My other son's in law school. Must I take him out?

An odd case. Not long ago we'd have hailed the hot dog dealer as an up-and-coming American because he'd made and saved a little money and had become a property holder, we'd have held him up as a model and printed his story and picture in the "Success" magazines. Now we frown on him. The world is cock-eyed, or are we?

More cock-eyedness

WITH a solid Democratic organization we can work for those whose hearts beat for the common good and we will not be stampeded by the ridiculous question, "Where is the money coming from?" —From a speech by a Connecticut assemblyman.

Mr. Barrows and his barrow

WHEN is a wheelbarrow a truck? According to a dispatch from Rumford, Maine, when it comes under the state trucking code.

The vehicle which provided the answer is used by George Barrows in transferring mail from the railroad



"IT SEEMED FUNNY TO ME THAT THEY DIDN'T COUNT COLDS"

Said Ed Wade, A.P.W. salesman, to his Boss.

"Everybody was wearing a big grin out at the Bickford works the other day. They had just hung up a new low record for lost time on account of accidents. The buyer proudly showed me the chart. But it seemed funny to me that they didn't count colds. I sure surprised him when I told him our story and showed him they could also reduce lost time on account of common colds by installing A.P.W. Onliwon Towels."

P. S. Attached is their order for towels and Onliwon Tissue, too.

EVERY year businesses of all kinds are realizing the real cost of the colds and coughs that run riot all through the winter months. And it's no secret that washrooms are among the most serious focal points of infection whenever there's any possibility of more than one person using the same towel. A.P.W. Onliwon Towels in Onliwon Cabinets are an effective, economical solution. These


large size, double-folded towels do a thorough drying job—one of them usually being sufficient to do the work of several ordinary ones. And everyone is sure of a clean, pure towel for every wash. Onliwon Towels and Tissue in Onliwon Cabinets not only safeguard health in your organization, but they help cut down overhead as well. See about installing them today.



ONLIWON SANITARY WASHROOM SERVICE

A.P.W. Paper Co., Albany, N. Y.

Representatives in leading cities



A Household Loan made them Buying Citizens Again!

OFFICES IN 109 CITIES

Illinois

Alton
Aurora
Bloomington
Champaign
Chicago
Cicero
Decatur
Freeport
Galesburg
Joliet
Moline
Oak Park
Peoria
Rockford
Springfield
Waukegan

Indiana

East Chicago
Evansville
Gary
Hammond
Indianapolis
Michigan City
South Bend

Iowa

Cedar Rapids
Council Bluffs
Davenport
Des Moines
Dubuque
Iowa City
Ottumwa

Maryland

Baltimore

Massachusetts

Boston
Springfield
Worcester

Michigan

Battle Creek
Bay City
Detroit
Flint
Grand Rapids
Highland Park
Jackson
Kalamazoo
Lansing
Muskegon
Port Huron
Saginaw

Missouri

Kansas City
St. Joseph
St. Louis

New Jersey

Camden
Jersey City
Newark
Orange

Paterson
Trenton

New York

Albany
Binghamton
Brooklyn
Buffalo
Flushing
Fordham
Hempstead
Jamaica
Lockport
New York
Niagara Falls
Rochester
Syracuse
Utica
Yonkers

Ohio

Canton
Cincinnati
Columbus
Dayton
Springfield
Steubenville
Toledo
Warren
Youngstown

Pennsylvania

Allentown
Chester
Erie
Lancaster
McKeesport
New Castle
Norristown
Philadelphia
Pittsburgh
Scranton
Wilkes-Barre

Rhode Island

Pawtucket
Providence

Wisconsin

Appleton
Beloit
Eau Claire
Fond du Lac
Green Bay
Janesville
Kenosha
La Crosse
Madison
Manitowoc
Marinette
Milwaukee
Oshkosh
Racine
Sheboygan
Superior
Wausau

FEW families have escaped the past two years without a serious drain on family income. Today, many worthy families are finding it difficult to purchase necessities and at the same time satisfy creditors to whom they owe past due bills. In many instances a loan, together with a proper budgeting of income, will put them back on their feet as *buying citizens*.

Household provides cash loans and budgeting advice to going families on a dignified business-like basis. Loans from \$30 to \$300 are made to employed families and the only signatures required are those of husband and wife. At the time each loan is completed a budget is arranged. This helps the family meet necessary living expenses and retire the loan in convenient monthly installments.

In most cases a Household loan enables a family to pay up old debts and have ninety per cent of its income left to meet current needs. If a loan is not the solution Household advises against it and offers first aid in budgeting and buymanship. These services are available in 109 cities and their surrounding communities.

Household rates* are the lowest possible for money "at retail" . . . often less than the maximum permitted by State Small Loan Laws.

A free booklet will be mailed on request, explaining the Household Plan in detail.

HOUSEHOLD FINANCE CORPORATION

AND SUBSIDIARIES—56th Year of Service

Headquarters: 919 North Michigan Avenue, Chicago

"Your Doctor of Family Finances"

***ABOUT THE COST** • Efficiencies never can reduce retail prices to the level of wholesale prices. However, when methods are devised which permit "retailing" money to husbands and wives on their signatures at rates lower than the $2\frac{1}{2}\%$ to $3\frac{1}{2}\%$ a month now charged on unpaid balances, Household will be found using those methods.



station to the town's postoffice, a distance of 100 yards. To license his barrow cost Mr. Barrows \$3, more than it was worth.

The transforming sleight-of-hand performed by the official ruling is its own invitation to public interest. True, some people may think they still see a wheelbarrow pushed by Mr. Barrows.

Nonsense. The thing's a truck, and the license is there to prove it, a veritable vision of a vehicle, like the "Phantom 'Ricksha" immortalized by Kipling.

The Blue Eagle and perjury

MISSOURIANS are contemplating a new aspect of the familiar doctrine of "state sovereignty." The situation issues from the predicament defined by Grover W. Dalton, president of the Dalton-Baldwin Furniture Company of Poplar Bluff, who contended that by signing a NRA code he had violated the state antitrust laws. He refused to sign an antitrust affidavit, as required each year of all Missouri corporations, saying:

If we sign the affidavit, he said, it will necessitate sending the Blue Eagle back to Washington. If we sign the affidavit and keep our Blue Eagle then we are guilty of perjury.

Even in a state made famous by compromise one would hesitate to argue that the proverbial worth of a bird in the hand should always outweigh an oath in the balance.

Note on economic planning

GERMANY desired to increase employment in its textile industry so it ordered that all waiters must wear frock coats.

Germany desired not to increase imports in order to conserve its exchange reserves so imports of wool were cut down. Result, German waiters may wear what they please.

Add national indoor sports

A CORRESPONDENT out west rises to object to some present activities of Chambers of Commerce. He complains that the chief object of many of these organizations just now is not the development of the community through its own efforts but the effort to get every possible dollar out of the Government. Here's a paragraph from his letter:

I certainly would like to see an article in NATION'S BUSINESS exposing the fallacy which is being so generally followed by Chambers of Commerce. Some years ago, you will recall, a principal activity of the chambers was the so-called "Chase for Smoke Stacks." Today it is the chase for government dollars. I know of dozens of instances

where chambers in large and small cities center their activities upon obtaining funds from the Government.

A just criticism, perhaps, when the whole nation seems to be ready to accept as gospel that "the Government owes every man a living," and who is without sin to cast a stone at the chambers if they join the mad scramble?

New field of employee relations

AN employer decided that one of his workers was a time waster, that he devoted too much of his time to activities not a part of his job. Thereupon he fired the man.

The man belonged to a union, the union took the matter up with a board designated to settle such disputes. The board ruled that the man should be put back to work.

The employer is Gen. Hugh Johnson, National Recovery Administrator, the man is John L. Donovan, president of the NRA Union, the arbiters are the members of the National Labor Relations Board.

The members of the union who went to General Johnson to protest Donovan's discharge reported the General as saying:

"You have been running up and down the hall wasting a lot of government time on union activities and I have had about all my pride will stand for. I am sick of this business . . . this running around on government time and disturbing everybody."

No doubt many an employer has felt the same way, but if the ruling of the Labor Relations Board is a precedent he will have to curb his feelings, for that august body goes on to say:

Upon all the facts, we think it fair to conclude that General Johnson's objection was not to the union, but to being bothered by the union's delegations, and that his discharge of Donovan was not a conscious and deliberate attempt to cripple the self-organization of his employees.

But the case must be judged objectively; and it is clear that General Johnson's action must be considered in its effects, whatever the subjective intent, as a blow to legitimate union activities. Where the normal processes of presenting grievances to an employer are checked, if not destroyed, by the peremptory discharge of the union leader without warning, without even the suggestion of some alternative administrative procedure for handling grievances, and following upon refusal to meet a delegation in its representative capacity, we feel constrained to hold that such action amounts to an improper interference with union activity.

Which suggests that the employer must add to his other qualifications an ability to distinguish between subjectivity and objectivity.

Remember Last Winter!



Put EVEREADY
PRESTONE
in your radiator
and forget it!

No doubt you remember several days last Winter when you saw plenty of cars stalled on the road . . . frozen up . . . And yet nearly two million motorists rode through the entire Winter, completely protected with one shot of Eveready Prestone.

Don't take chances with *your* car this year. Give it the *one-shot* of Eveready Prestone that will keep it safe until Spring. Every drop of Eveready Prestone is *guaranteed protection* . . . a concentrated anti-freeze . . . no water . . . no dilution of any kind . . . protection against rust 5 to 20 times longer than other anti-freezes. It will not boil off. "Boil-Away" anti-freezes can always be identified by the odor. Any anti-freeze with the "boil-away" odor is sure to boil off regardless of special "treatment." Eveready Prestone, truly non-evaporating, is absolutely odorless.

Ask your service-man to show you on his chart how inexpensively *your* car can be safeguarded for the entire Winter with Eveready Prestone.

SAME LOW PRICE!

\$2.95 Per Gallon



**EVEREADY
PRESTONE**
TRADE MARK

IT'S ALL ANTI-FREEZE
... no water

If you want to *be* Somebody — *do* Something!



OUR CREED

"We are going to keep right on making the best tire on the market, we are going to keep right on making our franchise the most desirable any tire dealer can obtain, we are going to keep right on paying the highest wages in the industry, we are going to keep right on with our policy of fair and honest dealings with the public. This policy brought us leadership in the industry and this policy will keep us in that position no matter how hard blows the storm of competition."

GREAT new forces are at work in the world today, yet we believe their effects on the future of American business will be largely what business itself chooses to make them.

New times always challenge old ways, but always challenge the same sturdy traits of character—courage, self-reliance, resourcefulness — by which business or individuals have surmounted difficult times in the past.

Goodyear, for one, early recognized this challenge, and took resolute steps to meet it.

Throughout the trying and critical period now passing, this organization set itself to keep busy—to invite and compel business—by doing something to *deserve* it.

Against a natural slowing-up in sales, we set an

increased activity in plant and field, aimed to develop new products and methods and make old ones better.

The rewards of this aggressive program of improvement have been a record series of new products which reached a climax in the present year, in the spectacular welcome of the "G-3" All-Weather tire, and also in the popularity of the Airwheel★, of which Goodyear is manufacturing five times as many as are all other makers of super-soft tires combined!

PRESIDENT,

THE GOODYEAR TIRE & RUBBER COMPANY, INC.

★AIRWHEEL is Goodyear's trade-mark, registered in the U.S.A. and throughout the world, and is used to denote that Goodyear is the exclusive maker of AIRWHEEL Tires

THE GREATEST NAME

IN RUBBER

GOOD YEAR

NRA
U.S.
CODE

NATION'S BUSINESS

★
A MAGAZINE
FOR
BUSINESS MEN
★

Progress in Blinders

ANYONE who seeks a reason for the low state of business sentiment can readily find it in the general feeling that the unusual is becoming disturbingly commonplace. The well known "Open for business" sign has been displaced by "Alterations Being Made." The state of suspended animation, so widely observable, is a reaction to the economic surgery practiced by public authority upon business activities.

Business, berated, looked upon by press, pulpit, pedagogue and politician as something of a clinical subject, is expected to donate its own blood in cases of pernicious anemia. Our present political therapy exalts change of prescription as a cure, and thus keeps the patient in constant and fevered excitement. Nor does the speed of the whirligig of official diagnosis and prescription encourage the thought that innovation has been exhausted. For example, note three new developments of the Government's relation to business within the period of a few days.

First, by order of the President, a ten per cent reduction of hours without reduction of wages was established for the cotton garment trade. Second, the New York Regional Labor Board ruled that an industrial concern cannot move its plant to another jurisdiction in order to get more favorable conditions for production. Third, the issues involved in the Federal Relief Administration's policies as to aid of striking workers.

The fair-minded will concede that the garment workers might make a case to inspire presidential action in their behalf, that the Labor Board only meant to prevent price-cutting by checking the mobility of industry, and that the relief authority is interested only in the humanitarian job of relieving distress.

But it is in the immeasurable implications of these governmental novelties that we find the root causes of business hesitation. What business man can make forward commitments against the ominous shadow of a political interference with costs? And if the New York case becomes precedent, what is to prevent the Federal Government from binding industries to their localities much as serfs of old were

bound to the property of their masters? Moreover, the emerging theory of Government relief of strikers on the basis of the Labor Department's determination of the issues provides its own revision of belief in the "right to strike," and the corollary right of employers to hire and fire.

The increased activity on the part of federal authorities in directing and shaping the destiny of business enterprise is possibly not by design. It may not be part of a deep-laid plot, as some assert. Rather, the instances cited merely exemplify the gradual and apparently inevitable accession of power. Control feeds on control. Regulation begets regulation. One step leads to another.

We forget that business is not self-generating. It is like a piece of machinery built to furnish things when called upon. There is nothing so voluntary as buying and selling. Coercion, cajolery, exhortation, even patriotism, will not cause the individual to use that machine. The individual buyer must act. It is his first move. We may call loudly upon the machine to go faster—but in vain. Management is ready and eager, natural and financial resources are available, labor at hand, nothing lacking except the action of the well known man in the street.

What will move him? For one thing, faith—faith in his own future, which means faith in the rightness and soundness of our national life. Such faith must enjoy the freedom of practice. For "the faith that stands on authority," said Emerson, "is not faith." Political authority, too often acting upon theory and caprice, bewilders and confuses, changes charts of navigation overnight, undermines man's confidence in his own judgments. Decisions are delayed. Hesitation breeds stagnation.

Give the people opportunity to exercise their own vision, to tie to known standards, to count more clearly upon tomorrow, and progress toward recovery will be accelerated.

Merce Thorne



IN THIS SHEET LIES THE SECRET OF SUPERIOR MIMEOGRAPHING

It's a dark blue sheet and one of the most wonderful things of its kind in the world.

Fortunes have been spent in its development.

Years of scientific investigation and experimentation laid the foundations on which it was built.

And it has brought stencil printing to a high state of perfection.

It is perhaps the outstanding achievement of A. B. Dick Company, originators of the fine art of Mimeographing and of every improvement that has ever been made therein.

An exclusive *cellulose-ester* impregnation has created this remarkable dark blue sheet—which is known to the trade everywhere as Mimeotype stencil paper.

Remember the term *cellulose-ester*. You may meet it again and often. It marks the difference between mediocre and superior Mimeographing.

There is no substitute for Mimeotype stencil paper.

It has made possible sharper, neater and

more economical duplication of letters, bulletins, forms, graphs, etc., by the thousands hourly.

Its peculiar and enduring texture makes easy the simple task of illustrating the text with line drawings.

Also it permits the use of many colors in a single operation.

It is an integral part of the Mimeograph Process, indispensable for true Mimeographing and fine workmanship.

And what is also important, it comes to you through a thoroughly responsible service, international in scope.

In practically every city the Mimeograph and all its supplies, together with expert advice and help, are constantly at hand.

This means organized responsibility and trained service. Nothing else like it anywhere.

Let us give you latest information about this remarkable dark blue sheet, and the unique service that reinforces it. Address A. B. Dick Company, Chicago, or see classified telephone directory for local address.

October • 1934



Sound Unemployment Protection

By H. W. STORY

Vice President, Allis-Chalmers Manufacturing Company

THE subject of unemployment insurance has been debated in the United States for 13 years. Its importance has greatly increased as compulsory legislative action has become imminent and general. But, in the confusion of momentous current events, the importance and continued progress of the movement are being overlooked.

That compulsory legislative action is now imminent is evident by the attention which various legislative bodies have given to the matter.

One state has had its unemployment compensation law since 1932.¹ In 1933, bills were introduced in 25 legislatures, and passed one house in California, Connecticut, Maryland, Minnesota, New York, Ohio, and Utah.

This year only nine state legislatures were in session. Five of them considered legislation of this sort. Unemployment insurance passed the New York senate, had a pledged majority in the assembly and was prevented from enactment only by a parliamentary fluke. In Massachusetts, the King bill had the support of both labor and industry, but because other states failed to enact legislation in this field this year, the matter was referred to a recess committee which will report to the 1935 legislature. In addition, Congress considered the Wagner-Lewis Bill. This bill, imposing a discriminatory tax on all states which do not enact unemployment compensation laws, had the active support of President Roosevelt and is likely to pass the next session.

To many employers the term "unemployment insurance" is just a name applied to something radical and expensive. A majority appear not



FEDERAL legislation making unemployment insurance compulsory seems inevitable. The plan to be adopted need not be socially detrimental, if business men will study the question and join with labor in supporting a sound system

to know that proposed systems of unemployment benefit legislation differ widely—so much so that, although one extreme type has potentialities of grave danger to society, yet the other extreme type is practically indistinguishable from the basic principle which the Chamber of Commerce of the United States has already gone on record as favoring.

There is a sound middle ground

between the proposals of the impractical sentimentalists and the attitude of the do-or-die reactionaries. The vision of the former is shrouded by impractical idealism which takes no account of the selfish weakness of human nature; the viewpoint of the latter is obstructed by the walls of the rut of ultraconservatism which does not recognize the emotional strength of human nature.

Since legislation providing for some type of unemployment benefit system will soon be enacted in the various industrial states, it seems highly desirable for industrial leaders to focus their intellectual ability upon this problem, to the end that the legislative enactments will be upon the sound middle ground.

What is sound?

THE object of this article is to discuss the fundamental points which employers must consider in determining

which type of legislation they should support.

The discussion will cover only three points:

1. *Shall funds be pooled or segregated?* Otherwise stated, shall all contributions by all employers within the state be placed in a common pool for the benefit of all unemployed in the state or shall the contributions of each employer be kept in a sepa-

¹For a complete history of the movement in Wisconsin, the Wisconsin law fully annotated, and a discussion of the various voluntary plans available in that State, see "Wisconsin Unemployment Insurance" by Hon. Roger Sherman Hoar, The Stuart Press, South Milwaukee, Wis.

rate fund for the benefit of only his own employees.

2. *Who shall contribute?* Shall contributions be made jointly by the state, the employees and the employers, or by the employers alone?

3. *Shall employers who establish adequate individual systems be exempted from the state system?* In other words, shall some flexibility be permitted in the establishment of individual employer plans in order to meet the varying needs of employees in different industries?

Shall the funds be pooled or segregated?

From its social implications, this is the vital question. It is the question which constitutes the issue between two schools of economic thought in America—unemployment reserves versus unemployment insurance; "the American plan" versus "the European plan."

What are the social intendments of these two contrasted proposals? What differences in viewpoint are involved?

Assessing the most efficient

ADVOCATES of the European system generally express themselves as mainly interested in adequate benefits. They take a defeatist attitude and regard unemployment as unpreventable; or at least treat the prevention of unemployment as of secondary importance to its alleviation. Regarding employers as a class as responsible for unemployment, they propose to assess the cost of unemployment upon the most efficient and least blameworthy members of the class.

As stated by the leading American advocate of the European system of unemployment insurance, Dr. I. M. Rubinow, in the *Annals of the American Academy of Political and Social Science* for November, 1933:

If in insurance it is difficult to determine the average amount of unemployment and the average cost of benefits and to establish a definite premium rate and a definite benefit scale, how much greater are the chances that a rate formula will work out in each individual plant reserve? The lucky or efficient ones are likely to have more money than is needed, and the others less than is required to pay the benefit scale.

Thus, Dr. Rubinow actually advocates penalizing the prevention of unemployment.

Contrast the attitude of those who advocate the American system of unemployment reserves. Their plan is designed not only to allocate social costs correctly, but also to encourage stability of employment.

Prof. John R. Commons is rightly regarded as the dean of unemploy-

ment benefits in this country. From 1921 to 1931 he sponsored the Commons Unemployment Insurance Bill in the Wisconsin legislature. And then, as stated in Chapter I of Hoar's *Wisconsin Unemployment Insurance*:

The most important development of the year 1931 was the change of view by Professor Commons. . . . Dr. Com-



ADVOCATES of the European system of unemployment insurance generally express themselves as mainly interested in adequate benefits. They treat the prevention of unemployment as of secondary importance

mons now reached and publicly announced the conclusion that this end could not be attained if the individual employer were permitted to insure his risk. Accordingly, an entirely new idea was promulgated of requiring each employer to set up a reserve against the payment of benefits for unemployment resulting in his own establishment alone.

And Hoar, a keen student of the subject, with an intimate knowledge of the practical problems of the employee and the employer, and with a wealth of experience with this type of legislation, says in Chapter XV:

This new bill took from its opponents nine-tenths of the arguments which they had successfully used for years against unemployment insurance.

In the *Annals of the American Academy of Political and Social Science* for November, 1933, Prof. Paul A. Raushenbush, a brilliant intellectual who will go far in the field of social economics, says:

Since every program for the regularization of employment must come to a specific focus in the individual business enterprise, the American plan of em-

ployer-financed company reserve funds is the plan most clearly designed to induce each business unit to exert its maximum efforts toward regular employment for its men. No outsider can tell a good business executive just how to run his plant steadily. But the reserve plan can assure him that, if he operates steadily and pays little or no benefits, his reserve will accumulate and his contributions may drop or cease, while those of his irregular competitor will continue. Each employer's contribution-rate varies directly with the current adequacy of his own reserve to meet his own unemployment costs. He can be sure from the start of the full savings resulting from his own performance, which is never true under an insurance scheme.

The pooling of funds, that is, the state fund, which is an essential part of the European idea of unemployment insurance, necessarily sacrifices much of the incentive to employers to regularize their employment, and may actually work in the opposite direction.

Steadying employment

RECOGNIZING the justice of this accusation, Dr. Rubinow suggests the following partial compromise:

Authorization to vary premium rates is based not only upon financial considerations but also upon the purpose of meeting the idea of regularization halfway. This idea is that through a fluctuating rate, unemployment insurance may be made a factor in encouraging efforts toward regularization.

To which Professor Raushenbush replies:

Under any system of pooling contributions, the employer who regularizes gets only a partial and uncertain reward for that achievement.

In the course of the debate on this subject in the pages of various magazines of political economy, more and more weight has gradually come to be given to considerations of "social cost-accounting." These considerations may be summarized as follows:

The basic idea underlying a system of unemployment reserves, as contrasted with unemployment insurance, is to allocate the cost of unemployment to specific industrial concerns. Regardless of the degree to which prevailing irregularity in employment can be eliminated, the proponents of the American plan believe that it is highly important to make at least part of unemployment a cost of producing specific commodities instead of an overhead cost of production in general.

The reason for this belief is revealed by an analysis of costs from a social point of view.

There is today in the United States a wide variation in regularity of operation between different

industries, and between different plants within the same industry. This means a wide variation in the degree to which industries and plants are themselves carrying the entire cost of their products and reflecting that cost in the prices obtained. For example, the industry or plant with widely fluctuating employment repeatedly dumps some or all of its workers upon the community. Unless these workers can be utilized at such times in other concerns or industries, they must be supported by somebody. Correct social cost-accounting requires this to be done by the concern or industry for which they are, in effect, a labor reserve. Otherwise such a concern or industry is not paying the full cost of its production. Instead it is in effect receiving a subsidy.

A pooled insurance fund, raised by taxation or three-party contributions, would formalize and materially increase the extent to which irregularly operating concerns and industries are now thus subsidized. And the subsidy would come largely from the more regular plants and their employees. The effect of this arrangement could be definitely anti-social.

If the consumer buys the goods which appear to be the cheaper because the selling price does not include the full cost of producing them, he may force out of business the concern which really produces most cheaply, if all the costs are counted—the concern which maintains its own workers the year round without being subsidized by the community or by other industrial concerns.

Thus the effect of a pooled unemployment insurance fund would be to confirm and facilitate a species of unfair competition. Such unfair competition could occur between plants in the same industry or between industries—either as the product of one industry is substituted for the product of another, or as all products compete for the consumer's dollar. Pooling would thus tend to promote the survival of the concerns which are socially the *least* fit.

This danger is evident when we think in terms of daily rather than yearly wages. No one suggests that the wages of sweated workers be supplemented from a pooled fund to which all employers, and perhaps all employees and taxpayers, should contribute. Such a remedy would facilitate the cut-throat competition of the sweat shops. And yet the proposal of a pooled unemployment insurance fund is logically indistinguishable from a pooled wage fund.

To this line of argument, the

proponents of the European plan in America reply that the worker is more interested in immediate protection than in the long-range prevention of unemployment, or in the general welfare of the community. In this they are somewhat like the anti-conservationist politician who exclaimed, "What has posterity ever done for me?"

Insuring individual resources

NEVERTHELESS, it must be conceded that there is some merit to their argument. It will have to be met. It is met by a suggestion which arose toward the end of the 1934 Massachusetts legislative session, and which is likely to be reflected in a redraft of the King Bill at the 1935 session. By this plan a very small percentage of each employer's contribution to his unemployment reserve would be diverted to a pooled fund to guarantee the solvency of all the various individual reserves.

For public welfare, then, it is essential that each employer set up an individual reserve for unemployment benefits, rather than contribute to a pooled state fund. A system of individual reserves is consistent with proper social cost-accounting and will tend to stimulate, rather than to dis-



THE American plan of employer-financed company reserve funds is designed to induce each business unit to exert its maximum efforts toward regular employment of its men. The contribution rate would vary with the individual reserve fund

courage, the reduction of unemployment. Such a system should prove more equitable to the employers, as it would enable each employer to profit by his own efficiency. And it should be more desirable to the working men, who are certainly more interested in employment assurance than in unemployment insurance.

Who shall contribute?

It must be conceded at the outset that unemployment is a joint concern of employers, employees and the community. But from this premise it does not necessarily follow that all three should contribute to a system of unemployment compensation.

Inasmuch as the adoption of an unemployment benefit system will relieve the taxpayers of considerable expense, it is only fair that they should stand some of the cost of the new system.

Thus it seems proper for the State to stand the entire *administrative* cost of the system.

But this should be the limit of the State's responsibility, lest the system develop social evils which will offset its social benefits.

So long as the State does not contribute to the benefit funds the system can be kept within reasonable bounds. But, if the State contributes, the system is certain to degenerate into a creature of politics, an unlimited endowment of idleness; like the dole of England, and the corn-laws of ancient Rome. Such a system, in addition to the demoralizing effect it would have on the community, is certain in the end to cost the average employer far more—in contributions plus taxes—than the cost of a system to which employers are the sole contributors.

Accordingly, although it is advisable that the State bear the entire administrative cost, it would be fatal to provide that the State should contribute anything to the actual benefit funds. The Socialists propose that the *entire* cost should be borne by the State, out of funds raised by graduated income and inheritance surtaxes. So much as to contributions by the State. What as to employee contributions?

At present, in the absence of unemployment compensation, the burden of unemployment falls almost entirely on the employee; with the community—not only by relief-taxes, but also by loss of rents, store-trade and other business—sharing a large part of the loss.

Under any system which can be devised—except one which sets the benefit-rates so absurdly high as

to place a premium on loafing—the employee will continue to bear the brunt of his own unemployment; so why ask him in addition to contribute to an unemployment benefit fund?

But there is a further and more important reason than mere fairness why employees ought not even be permitted—much less be required—to contribute to a compulsory unemployment benefit system.

Experience has shown that there is never any difficulty in getting employees to understand that a fund, contributed by their employers at a fixed percentage on pay roll, will not be able to stand unlimited drains, and that it is not fair to expect that it should do so. But, if the State con-

tributes, there can be no acceptable excuse for shortages; and no amount of logical explanation can convince an employee that a fund to which he has been required—or even permitted—to contribute can with any justice be allowed to become inadequate to pay him full benefits in case he becomes unemployed.

Accordingly, the moment that the Government requires—or even permits—contributions by employees to a state system, it thereby writes an unlimited guarantee of solvency of the fund. If such a system be adopted, we can forecast the following inevitable chain of events:

Sooner or later, due to severe drains brought about by a period of

depression, the fund will prove temporarily inadequate to finance full benefits. The fund will then be forced to borrow, and the only available source of loans will be the State. These loans will be made with little or no expectation of repayment; hence the system will rapidly degenerate into a state-financed dole, as in England.

This result would be infinitely worse from the public viewpoint, and in the long run more costly to industry and less advantageous to labor, than a straight 100 per cent employer-financed system. Accordingly, the latter seems advisable.

The proponents of employee con-
(Continued on page 60)

The Railroad Pension Law

HERE are the provisions and a brief history of the law which is regarded as the forerunner of similar legislation for all industry. In the preceding article Mr. Story tells how the confusion which attended the birth of this legislation can be avoided

DOES the Railroad Retirement Act, which provides a universal system of pensions for railroad employees, foreshadow similar legislation by the coming Congress that will include all workers engaged in private employment?

This question is in the minds of business executives who are watching with interest the administration of the Railroad Retirement Act and the legal proceedings which the railroads have instituted in the Supreme Court of the District of Columbia, contesting the constitutionality of the law.

President Roosevelt in announcing his approval of the Act last June said it "is in line with sound social policy."

When the bill was being considered in the House of Representatives, Representative Martin, Democrat, of Colorado, speaking in support of it, said: "The supreme impor-

tance of this bill is that it is the first recognition by the Congress of the United States of a pension system for employees in private employment. It is only the forerunner of a universal pension system for the aged employees of industry. I look for the next Congress to pass a general pension bill."

In view of that statement, as well as the fact that the President is considering proposals to be presented to Congress for the enactment of what has been termed "social legislation," the Railroad Retirement Act is of especial interest.

Voluntary pensions

THAT the railroad managements are not opposed to the payment of pensions to superannuated employees or to employees permanently disabled in active service is shown by the fact that railway companies have for years followed a pension policy costing them approximately \$34,000,000 annually. A survey shows that 74 Class I carriers have in effect a pension plan, or system, more or less definite in character, while ten additional railways or systems have indefinite plans, under
(Continued on page 72)



Under voluntary pension systems of the roads loyalty and service were rewarded

Watching Washington

By FREDERICK SHELTON

(Of the Kiplinger Staff)

THE next four months will bring to a head many fundamental issues involved in the New Deal. Turmoil within the Administration is one reason for this. Several vast government projects are in such confusion that they can't go on without official stock-taking and overhauling. But, in addition to these factors, the mounting opposition to the whole Roosevelt program will force certain decisions.

What are the issues which must be clarified? NRA seems to be the most hopelessly confused. It will require a major operation.

Unemployment relief is still on a day-to-day basis despite the outlook for years of federal support for the unemployed. New plans must be devised for the coming winter.

Strikes are an increasing cloud over industry. The Administration cannot escape some attempt to apply a workable labor policy.

Then there is the monetary policy. By next winter we should be able to see more clearly where the monetary program is taking us.

In the meantime a congressional election will help to decide whether government policy will proceed further to the left or swing right.

Business men need to know the answers to these questions. You must try to figure out in advance the direction of events and make your plans accordingly. No one can be certain of the outcome, of course, but the attempt to see ahead is worth while.

The following observations may help you to see things more clearly for yourself.

The Next Congress

THE pre-election campaign now in full blast will not help business confidence. Exaggerations of campaign speeches are likely to be disturbing. You should discount them.

The November elections will be significant to business, nevertheless. It will not be a question of a Democratic or Republican Congress. It almost certainly will be Democratic by a good margin. But the kind of men elected will be much more important than the party labels they wear. I get the impression that the next House of Representatives may be more radical than the present one; that a large part of the new Republican membership will be more radical than the Democrats they will displace.

Note well November election results, therefore. Take notice of personal campaign promises being made, and new panaceas being offered.

There undoubtedly is powerful opposition to the present Administration—a minority opposition but vigorous enough to make an impression. One might think that opponents would pledge retrenchment, less reckless spending of public funds, and the like.

There is, of course, much opposition among conservative men of affairs. Business men as a class are becoming bolder in their demands for relief from the uncertainties of Rooseveltian experimentation. But much of the discontent which will be reflected in the coming elections

will take the form of clamoring for more benefits from the Treasury.

More Government Favors

IT IS a mistake, I am convinced, to assume that the masses will be moved by thoughts of a balanced budget, lower corporation income taxes, return to a fixed gold standard, and less restraint of business.

Farmers are losing faith in the AAA. But they will not campaign for a return to the law of supply and demand and the stoppage of government checks. Instead they will ask for more checks.

Veterans, at least those who are class-conscious enough to join veterans' organizations, will want more favors, not less.

Millions of the unemployed, whose daily bread comes from public funds, are not pleased with their lot. In numerous cities they are organizing to make political capital of their voting strength in order to get more from the Government.

There are the inflationists of various stripes who want more money of various kinds injected into the country's currency circulatory stream.

Disgruntlement of these and other groups constitutes much of the opposition to the New Deal. Conservatives will be willing to capitalize this opposition as a means of ousting the present régime. But there is not much chance of launching a rigorous budget balancing drive on the basis of this kind of opposition.

New Party Alignments

THE split between conservatives and liberals or radicals will be more conspicuous from now on. I see little likelihood, however, that one of the two major parties will swing

completely to the right, and one completely to the left. The reasons for this are too involved for statement in a few words. It should be recalled, however, that not since 1910 have the Republicans had control of both branches of Congress without the aid of a bloc of so-called Republicans who were largely out of sympathy with the dominant conservative wing of the party. Sometime—possibly in 1940 but hardly in 1936—a conservative third party may hold the balance of power but the Republican Party as now constructed could not play that rôle.

Outlook for the New Deal

IS THE whole New Deal a flop? Many people say it is. One who knows the insides of government offices and hears the gossip among staff men who are disgusted with

the ineffectiveness of their own efforts cannot help believing that many phases of the New Deal have bogged down. But the whole program is not a complete flop. There are many minor flops and some rather big ones but the thing as a whole goes on from stage to stage as the genius of the resilient Mr. Roosevelt finds ways to give new direction to recovery efforts. The failures, or

near failures, seem to get more attention than the successes. One should keep the successes in mind in all fairness.

Bright Spots

YOU may not agree with the theory back of all major attempts of this Administration but I believe you will say, if you scrutinize the results carefully, that there are a number of creditable achievements.

The RFC, as the government's super-bank, probably has done its particular job as well or better than any other government agency. Many a bank, railroad, insurance company, and other business institution is alive today because of government credit put out by the RFC.

The whole home and farm mortgage situation, clouded by thousands of impending foreclosures two years ago, has now been pretty largely liquidated by the Home Owners' Loan Corporation and the Farm Credit Administration. Thus one of the weakest pins under the national economic structure has been greatly strengthened.

The banks once more are "safe." Bank runs and bank closings have virtually ceased. You may not like guaranty or insurance of deposits but you probably will agree that the Federal Deposit Insurance Corporation has done its job well.

Housing

THE home modernization movement under the Federal Housing Administration will gather momentum over the next few months. Results thus far have been modest but enough to encourage officials to push the campaign hard.

New home construction will be aggressively promoted next winter and spring. The aim will be to make people yearn for the latest thing in better homes.

Housing, however, is not likely to be the great depression curative.

NRA Troubles

IN SOME other directions, however, there is much trouble ahead for President Roosevelt. A principal trouble is NRA. You will hear much talk of salvaging NRA during the next few weeks. There will be another attempt at "reorganization." Actually there is not much chance of rehabilitating this worthy enterprise until Congress legislates a new charter and new management is provided.

Eventually some permanent form of industrial self-government will be provided but there will be less freedom of price-fixing and trade agreements than under many existing codes. Provisions dealing with child labor, wages and hours will be continued. The new plan probably will not try to cover the whole field of business but may be limited to industries which have within themselves the organization and facilities for enforcement of discipline.

For the next few months those well organized groups which can enforce their own codes will be permitted to go ahead. In poorly integrated industries chiseling will grow to the point of complete demoralization.

NRA is now the Administration's greatest liability. But it holds promise for the future.

Labor Relations

THE march of unionization will go on aggressively. Section 7(a) of the Recovery Act opened wide the door for union organizers and they will continue to make the most of it. Now the National Labor Relations Board has proclaimed the doctrine of recognition of a majority labor organization as the sole spokesman for all employees for purposes of collective bargaining.

A few employers especially skilled in labor relations

will be able to preserve their independent employees' organizations. But most employers will have to deal with the American Federation of Labor or some industry-wide union.

Labor leaders will acquire great power. But they probably will abuse this power, ask too much, and in the end bring the wrath of the public down upon their heads. Finally Congress will create a tribunal which will tell employees as well as employers what they must do in labor disputes. But this will not come for several years. Unions are too influential politically to permit such restrictive legislation in the next Congress.

Strikes

STRIKES will constitute a serious drag on business for the next year. This seems to be recognized in Government circles but there seems to be little that can be done about it. The Government is definitely pro-labor and will continue so. And strikes are the most effective weapons of labor in the fight for unionization.

Government Economy

PRESENT signs give little promise of strict governmental economy for at least two years. There is the "will to spend" as a matter of administration policy. Unemployment relief will cost more and the cost per person will rise sharply next winter when retail prices begin to reflect the full effect of higher wholesale commodity prices.

Public works projects will call for increased disbursements as plans long made finally reach the actual construction stage.

Drought relief will take all of the \$525,000,000 appropriated for it, and Congress probably will vote more.

Benefit payments to farmers will mount during the next few weeks.

Altogether the Government has more than \$8,000,000,000 of appropriations to dispose of. Two years of deliberate attempts to "prime the pump" has engendered a taste for spending by government agencies. And you can depend on it that the next Congress will vote additional funds before this fiscal year is ended.

There is not much likelihood that the 1936 budget will be balanced.

Priming the Pump

THERE is strong evidence that the President means to use public expenditures still more energetically to create purchasing power among the masses. The theory is that this will start a cycle of spending, first for consumption goods, and ultimately for durable goods, such as houses for reemployed millions.

Washington policy-makers seem to feel that the spirited spending of last winter was stopped too soon. Looking back, they see that business was increasing at a lively pace until CWA pay rolls were lopped off. They had thought the business pump was primed but saw business decline shortly after Government expenditures were cut.

Critics of the Administration cite this as proof of the basic fallacy of the government spending theory. They argue that sustained recovery will come only with revival of capital expenditures for durable goods; that this can spring only from business confidence in future profits; and that this confidence is stifled, not stimulated, by lavish outpourings of borrowed money.

Administration officials apparently feel, however, that they "tapered off" too soon. Therefore, they intend to take a new start, and do a more thorough job of it. They lament the loss of time. By failure to follow through in a big way last spring with government spending they feel they lost nearly a year's momentum.

Business Outlook

HOPES that business recovery would be resumed buoyantly this fall have faded. The gist of the best analytical opinions now is that business will continue at a low level until early in 1935. The consensus seems to be that there will be marked gains in the spring of 1935 but many reputable prognosticators doubt that 1935 as a whole will be much better than 1934.

Financing Recovery

CUSTODIANS of billions of the country's mobilized capital fear the time when the Government no longer can finance its costly experiments. Orthodox managers of industry and finance (this is about 90 per cent of them) are convinced that the present régime will wreck government credit and then "crack up." Therefore they venture no new enterprises, and therefore the Government borrows and spends all the more to feed the needy and keep things going. This points toward a crisis—a crucial test of the whole set of ideas which marked the past year and a half. It means inflation, of course. But there are many kinds and degrees of inflation.

Inflation Rapids Ahead

THE Administration thinks it is prepared for inflation. Officials expect it and, in fact, have definitely promoted it. But they mean to control it, to use it as a restorative. They have a lot of safety valves ready to open when safety requires it. Gold can be exported or revalued; the \$2,000,000,000 stabilization fund can be used; bank credit can be tightened through new controls now possessed by the Government or soon to be acquired.

Possibly we shall see the neat and skillful feat of reflation up to the 1926 price level and the pegging of prices there. This is theoretically possible. There is reasonable assurance that prices will work up to the 1926 level which would mean about a 30 per cent rise from present levels. But will the rise stop there? Most professional monetary diagnosticians—those not too closely identified with official policies—think not. None of them expects the wild inflation that Germany had. But there is much talk in these circles of a dollar with from one-half to one-tenth of its present purchasing power.

Major Angas, whose pamphlet, *The Coming American Boom*, is being much read, thinks we have already started on the big inflation. The weight of sober opinion, however, seems to be that we will rock along for months, maybe a year or two, before spectacular evidences of the shrinking dollar appear.

In the meantime, prices in general are expected to creep upward, especially prices of farm products. Manufactured products will have less chance to rise because of competition, break-down of codes, and the progress in more efficient production methods. Before the winter is out, however, consumers will find the cost of living a vital issue.

Five Years to Go

PUTTING all things together it looks as if the next five years will see generally higher prices, and generally better business in terms of unit volume. This will be the inflationary cycle. A new vast structure of debt will have been built on the main body of the old debts which have been only partly liquidated. In 1939—ten years after the big crash—I would expect another "wash out." Like the crash of 1929, it will be largely financial.

In the meantime, fundamental social reforms will have been put into operation. Their efficacy will have to stand a severe test.

Social Reforms

THE next Congress will enact legislation along the lines of unemployment insurance, old age pensions, and a permanent federal relief plan. We shall have the cash dole with us for a while yet, but attempts will be made to develop the subsistence work-shop idea so that workmen not employed privately will work under government supervision making things for each other. This sort of thing was started in a small way last winter and will now grow. That which Upton Sinclair proposes for California is already being done by the Federal Government in a small way. This whole idea, of course, will infuriate many lines of business and grow into a bitter conflict between business and the Administration.

Control of Banks

WE USE bank checks for money mostly in this country. The Government is responsible for providing money and regulating it. So the Government must control banks and bank credit. Such is the line of thought now in the minds of Administration monetary and banking planners. Further legislation and executive action toward such control is a strong possibility for next year. Attempts will be made to bring all state and national banks under one system of federal supervision.

The Federal Reserve Banks probably will be deprived of their independent status. The idea of a new central government bank of issue is being considered but not yet officially embraced. In any case, by methods not yet exactly determined, the Federal Reserve System will be brought more closely under the Government's wing. The Federals, or some new central banking system, are likely to be needed in the next two years to provide a market for government bonds.

The proposal for post office checking accounts is gaining support in some administration quarters. This is another move toward nationalization of credit.

The Farm Dilemma

A CRUCIAL test for the AAA will come when it attempts to sign up farmers for 1935 acreage reduction or control in the face of the highest farm prices in four years. Officials know this. So there is likely to be considerable modification of AAA methods. Production control will be continued as the basic policy. But some new scheme which would give the farmer more leeway in planning his own crops is probable. Strict regulation will be continued with increased efforts to return a greater share of the consumer's dollar to the farmer.

Roosevelt and Socialism

VAGUE grumblings against socialistic leanings of the Administration will grow into open charges that socialism is the definite goal. Socialism is not the definite goal, of course, but the cut-and-fit methods being used involve many compromises with socialism and the net result will be more socialism than we have had in the past. We have been drifting in this direction for many years.

There will be enough failures of government enterprises to give the idea a setback. TVA, the leading socialistic project, is hitting some snags. It will not be the glowing success that Senator Norris hopes. Some of Mr. Hopkins' self-help manufacturing ventures will turn out badly and give socialism more black eyes.

We probably will stop short of complete socialism but some phases of private capitalism will be left behind permanently. Within the boundaries of a capitalistic state there will be a number of socialistic principalities which will have to face the test of workability.

We Must Continue Crop

By M. L. WILSON

Assistant Secretary of Agriculture

CROP ADJUSTMENT programs will be continued through 1935. But a new set of facts and problems has moved onto the American agricultural scene and although the direction of these efforts will remain the same, the course of the programs during the next year—and possibly two years—must be marked by changes made in the light of the new facts of the farm situation.

Already the wheat program has taken form and it reflects the change in our supplies resulting largely from two years of extremely low production. It calls for an increase of five per cent in the acreage to be planted by cooperating farmers over the acreage sown for harvest this past season, when, because of the large unsold surplus of the grain, farmers were asked to plant 85 per cent of their base or average acreage for the period from 1928 to 1932. For harvest next year, cooperating farmers have been asked to plant 90 per cent of this base acreage.

Emphasis on reduction of hog numbers, one of the most important features of the program this year, may be relaxed during 1935 because the potential supply of pork has been brought more nearly in line with effective market requirements than it has been for a long time. Cattle numbers have also been reduced, due to the drought and the prompt response of the Agricultural Adjustment Administration to the challenge of the emergency resulting from an acute shortage of grazing and feed resources.

More than three and a half million cattle have been purchased and turned over for relief purposes. This has proven to be an outstanding achievement in salvaging,

DISCONTINUANCE of agricultural adjustment efforts now would be a step toward national bankruptcy, says Mr. Wilson. In this article he tells how the plan for farm adjustment can be made to operate for the greatest good not only of agriculture but of business and industry as well

because, if the desperate feed shortage had not been met with quick action, it would have led to a wastage of beef unrivalled in the nation's history. Prompt action conserved the supplies of feed for the cattle which remained, especially for foundation herds.

Continuation of adjustment efforts will be desirable in the case of cotton. The surplus has been reduced and we have 12-cent cotton instead of 5-cent cotton but the nation still has excessive supplies for which there is no apparent outlet.

Other programs appear necessary, particularly in the case of some of the tobacco types, while in the field of special crops where the approach to a better balance between production and demand is sought through marketing agreements, the field for improvement still remains extensive.



ERIN GALLOWAY

Emphasis on reduction of hog numbers may be relaxed in 1935 because the potential supply of pork has been brought more nearly in line with market requirements

Control

Why is it necessary to continue adjustment efforts?

Many of my friends who have observed the tragedy of this year's unprecedented drought and its effect in cutting down surpluses, ask me this question. They have watched the response of farm prices to the influence of the drought and the adjustment program and wonder if the time hasn't come to drop these efforts and go back to where we were before Congress declared that agriculture constituted a national emergency.

New surpluses threaten

TO do this would be to open the way to a new cycle of surpluses, falling prices and the dangers which go with an unbalanced agriculture.

Abandonment of the adjustment programs at this time would be a step toward national bankruptcy. It would be counter not only to the best interests of agriculture but to the best interests of business and industry. It would be a step back in the drive for national recovery which has led to unity and understanding between agriculture and industry as only the common misfortunes of two groups as closely related as these can stimulate.

The danger lies in the fact that we have up to 50,000,000 acres of land available for cultivation and capable of producing crops exceeding our market requirements. Foreign markets are unfortunately still largely closed to the products of our farms and, although there appears to be hope occasionally that these markets will be revived, agriculture cannot operate on hopes that are unlikely of early realization.

Now the danger attending the availability of large areas of land lies in the fact that the farmer, unless afforded an effective means of cooperating, is individually and as a group of individuals extremely responsive to higher prices. The history of agriculture is filled with instances of this temptation and, in nearly every one of them, the farmer has overshot the mark. Sometimes the full effect of this responsiveness is not felt for several years.

Corn provides a good example of this possibility.

Corn production this year as a result of the worst crop weather in years is extremely low. The estimated production at this writing is about 1,600,000,000 bushels. That is a lot of corn but the need for corn is greater this year because of the failure of many other feed crops and as a result the price has shot up rapidly.



Cooperative adjustment programs are in the interest of business because they make the farmer a customer

Meantime hog and cattle numbers have been reduced greatly. Hogs eat a large portion of our annual corn crops.

The high price of corn might induce farmers with available land to plant heavily. Assume that we have average weather and growing conditions this year. Our total production of corn might be very large. There would be on hand fewer hogs and cattle to consume it. The result would be a sharp fall in the price of corn.

The corn, hog, and cattle problem

MEANTIME there is a good prospect that hog and cattle prices, in view of the reduction in their numbers this year, will remain attractive. The result may be that the farmer with large amounts of low-priced corn would rise to the temptation to obtain animals to feed and he would spur the production of cattle and hogs. This then would lead to excessive production of pork and beef and it would not be long before we again had a surplus of both and the boon companion of surpluses, low prices.

Would low prices result in removal of these surpluses? Perhaps, eventually, but in the meanwhile the farmer would be contributing less and less to purchasing power and we would be in for another cycle of farm bankruptcies.

But there are reasons to believe that, instead of cut-

ting his production in response to low prices, he would do once more as he was forced to do for some years before the spring of 1933. Farmers, after many years of financial hardship, were then responding to laws of survival. While prices were low and surpluses mounted they continued excessive production in what proved to be a vain hope that they might offset the disadvantages of 30-cent wheat, 5-cent cotton and \$3 hogs by volume production. There was always the chance that drought or other misfortune might strike other farmers and, although most farmers did not consciously plan production in the expectation of misfortune for others, their only chance to win with those tactics lay in such misfortune. But the desperation of debt, the need for cash for necessities—even for food—does not make for planned agriculture by farmers. So the resort was to a dog-eat-dog economy.

Business men often wonder at this spectacle of farmers continuing to produce in the face of low prices. With a greater rigidity in prices business men cut down the production of their goods and trim costs when prices begin to slide.

But farmers cannot reduce costs so rapidly. Their fixed overhead is larger in proportion to total operating costs than is the case with most industries. Generally they are not large employers of labor so they cannot meet reduced income by cutting pay rolls. Interest charges and taxes—bugaboos of industry in difficult straits—figure even more importantly in the financial picture of the farmer on the basis of their relationship to his overhead.

Price disparity

WITHOUT attempting to relate its significance to the entire farm problem or to the disparity between farm and industrial income I want to cite one fact:

During the depression while farm prices slid off 50 per cent, prices of farm implements dropped five per cent. While farm production continued at approximately the same levels, the production of implements dropped with industrial production which fell to about 50 per cent of its former levels.

At the low point in 1933, farm prices averaged 60 per cent lower than in 1926; textile prices 49 per cent lower; food prices 47 per cent; hides and leather, 32 per cent lower; building materials 30 per cent; metals, chemicals and house furnishings about 29 per cent; and metal products 23 per cent lower. Building activity dropped about 90 per cent and, although building material prices fell a great distance, their fall was not at all comparable with the depression in farm prices.

The story of what happened to farm income in the years leading up to the spring of 1933 when the Adjust-

ment Act was passed can be told quickly in figures. In the years 1909 to 1914 the gross income from farm production including the estimated value of products consumed by farm families was between six and seven billion dollars annually. The relationship between income and prices farmers paid for products they consume was considered satisfactory.

Income dropped to one-third peak

IN 1919 gross income from farm production hit its peak, \$17,000,000,000. It fell to \$13,500,000,000 in 1920 and to less than \$9,000,000,000 in the farm depression of 1921. From 1923 through 1929 gross farm income varied from 11 to 12 billions annually and the farm market was a potent force in American industrial activity.

But the figure fell to less than \$7,000,000,000 in 1931 and to \$5,331,000,000 in 1932—the lowest for any year since 1909 when these statistics were made available.

This drop created pressure in all fields of commercial life. It is reflected in the falling curve of factory employment, payrolls and industrial production.

The Adjustment Act helped, if it was not entirely responsible, for turning the tide in the case of farm income. The figure for 1933 was \$6,256,000,000 after adding \$271,000,000, representing cash benefit payments paid under the Act. Consider also that the return on capital of farm operators,

despite this increase, was only 1.9 per cent—but this return could at least be written in black ink.

In 1932, farm operators actually averaged a loss of 4.2 per cent on capital. Costs had been brought down. The hired man, if any, was getting less. The buildings were being left unpainted. Fences were being patched instead of replaced. Clothing, household furnishings and any number of other things could not be bought.

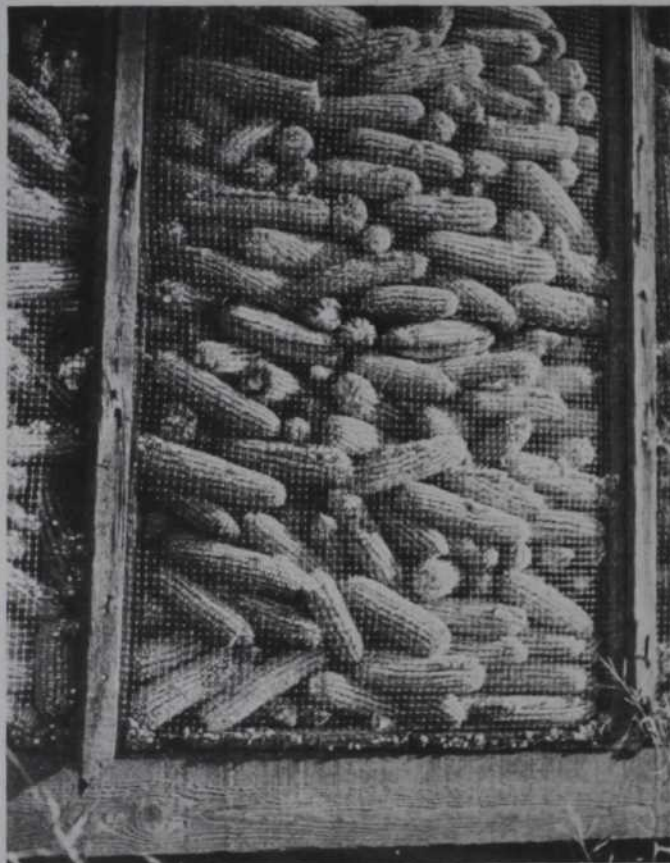
There's more hope in sight now. Estimates indicate that farmers' cash income will be 19 per cent larger for this year than in 1933 and 39 per cent higher than in 1932. The increase in gross farm income, meanwhile, has been practically offset by the increase in prices of commodities bought by farmers. From 1932 to 1933, the index of prices paid by farmers advanced two per cent; from 1933 to June, 1934,

this advance has been 14 per cent.

But the fundamental objective of the adjustment programs should not be measured in terms of production, prices or surpluses. The real objective is to aid farmers by providing them with a vehicle for cooperation to increase and make more stable their incomes—to give them greater and more equitable buying power.

Reasonable prices for the food and fibers produced by

(Continued on page 54)



The need for corn is greater this year because of the failure of other feed crops



One of the new housing developments erected by private builders near London

EWING GALLOWAY

Britain Solves Her Housing Problem

By HERBERT N. CASSON

Editor, "Efficiency Magazine," London

GREAT BRITAIN is now building houses at the rate of a thousand a day, and four-fifths of them are being built by private enterprise without assistance of any kind from the Government or from any town or city council.

News is being sent abroad about the Government's "Housing Scheme." The fact is that there is no such scheme. There is chatter in Parliament about housing. There is much talk about "slum clearance." Several bills have been introduced. But it is generally understood in Great Britain that housing is one thing that the Government must let alone.

The British people do not often interfere with a success. If any existing law is found to be in the way of a success, the law is quietly bent to one side. A judge comes to the rescue and makes a decision that permits the success to continue. And in the matter of housing, there is no doubt, not even in the minds of the bureaucrats, that the right way

to solve the housing problem has now been discovered.

Never before has there been such a boom in building in Great Britain as there is today. In the first six months of this year, building plans have been approved that call for the expenditure of \$175,000,000. This money, nearly all of it private capital, is to be spent as follows:

Dwelling houses	\$130,000,000
Factories and workshops	\$ 10,000,000
Stores and offices	\$ 10,000,000
Churches and schools	\$ 10,000,000
Extensions and alterations	\$ 15,000,000

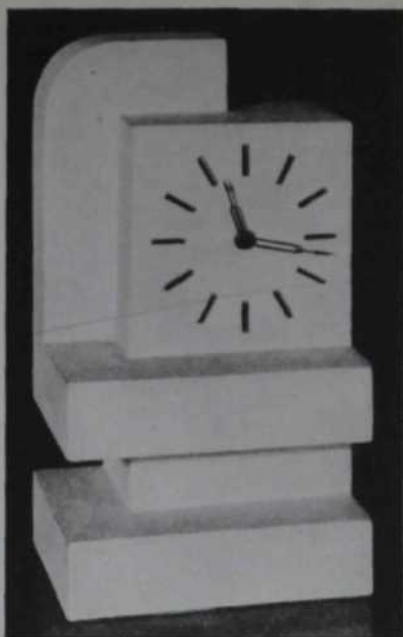
The new houses are good houses. Practically all of them are built of brick. The British brickyards are working overtime. They cannot supply the demand. Bricks are being imported from Belgium. Wooden houses are not permitted by law in British

NEVER before has England had a building boom such as is in progress today. It follows a period when building reached its lowest ebb. Mr. Casson explains the reasons for the increase

towns. They are regarded as too cold, too perishable and too liable to be destroyed by fire.

The average price of a house at present, to be bought on the installment system, is about \$3,000. The purchaser would probably pay \$300 down and \$3.60 a week. His payments would include all legal or mortgage costs, road charges and survey fees. The gross profit of the builder on such a house would be

(Continued on page 42)



MARGARET BOURKE-WHITE

An old material enters a new field. Hewn from a single block of limestone, this new clock was designed with the machine technique in mind. Designed by John Vassos for the Indiana Limestone Company

More Ways to Prime

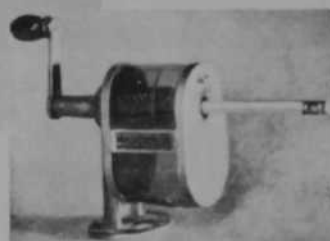
PUBLIC desire for new things or improvements on the old is as constant as the race. It is a constant ferment which emphasizes the hopelessness of regimentation. Who can attempt to control the public thirst for change, for added conveniences? In response to this desire, thousands of new things are springing up all designed to satisfy the public want for more comfort, more pleasure, less labor. To each of them many men look in turn, hopeful of finding a new industry to pull us definitely out of depression.

It is possible that such an industry is just around the corner, that some scientist is on the threshold of



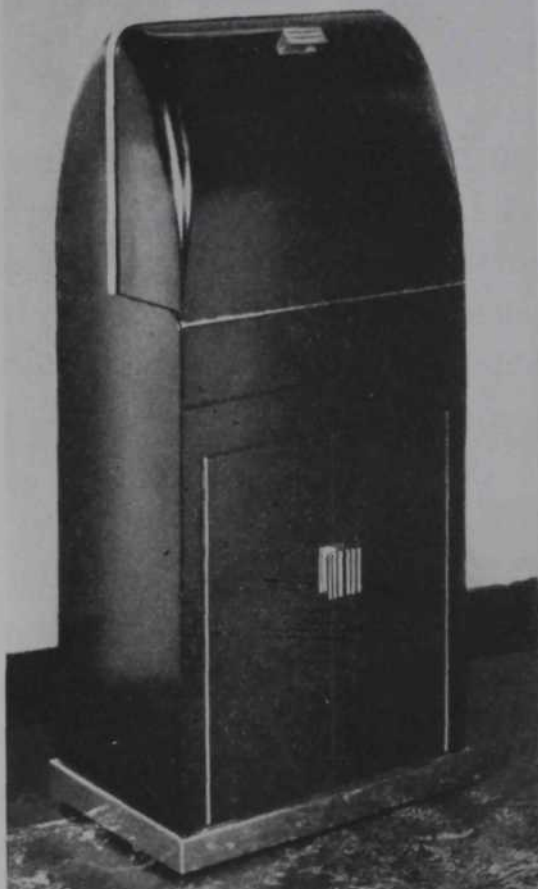
LAZARNICK

The office standby takes on a new dress. This streamlined pencil sharpener, designed by Raymond Loewy, is secured by concealed screws. It slides out of its groove to empty

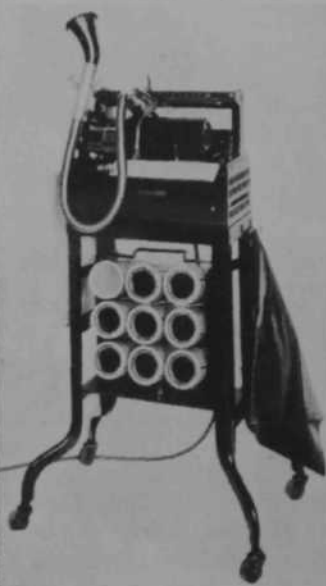


WERNER

Beauty as well as efficiency marks the newest product of the Dictaphone Sales Corporation. The new model, compared here with the old, should be at home in any office, no matter how luxurious



EDWARD THAYER MONROE



C. ARLES CURTIS



The handsome new National Cash Register adds courtesy to its other accomplishments. "Thank you," the sales slip says, "Please call again." Two types of base are offered, black morocco with chromium trim or the ebony shown here

the Business Pump

finding, or has already found, a new thing that will awaken universal desire. But even if this is not the case, every catalog reveals that the old may also be the new.

Here are just a few of the hundreds of new things in a single field—office appliances. The Museum of Modern Art and the Industrial Arts Exposition in New York where these were shown were crowded with tempting, modernized and improved aids to living and working. Who can say whether all of these together may not provide as great an impetus as might a single new revolutionary development.



ADAMS STUDIOS

The Todd Protectograph before and after it was redesigned by Henry Dreyfuss. Beauty, simplicity and ease of operation characterize the new model

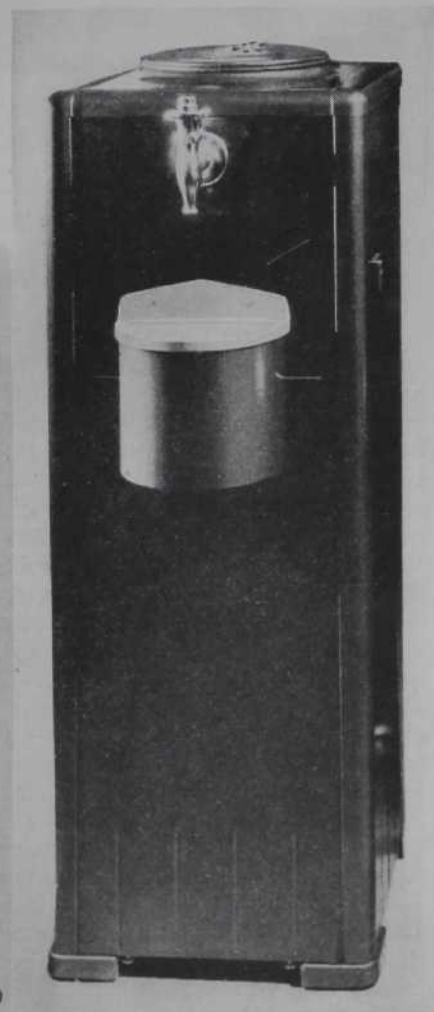


JOHN J. DUFFY



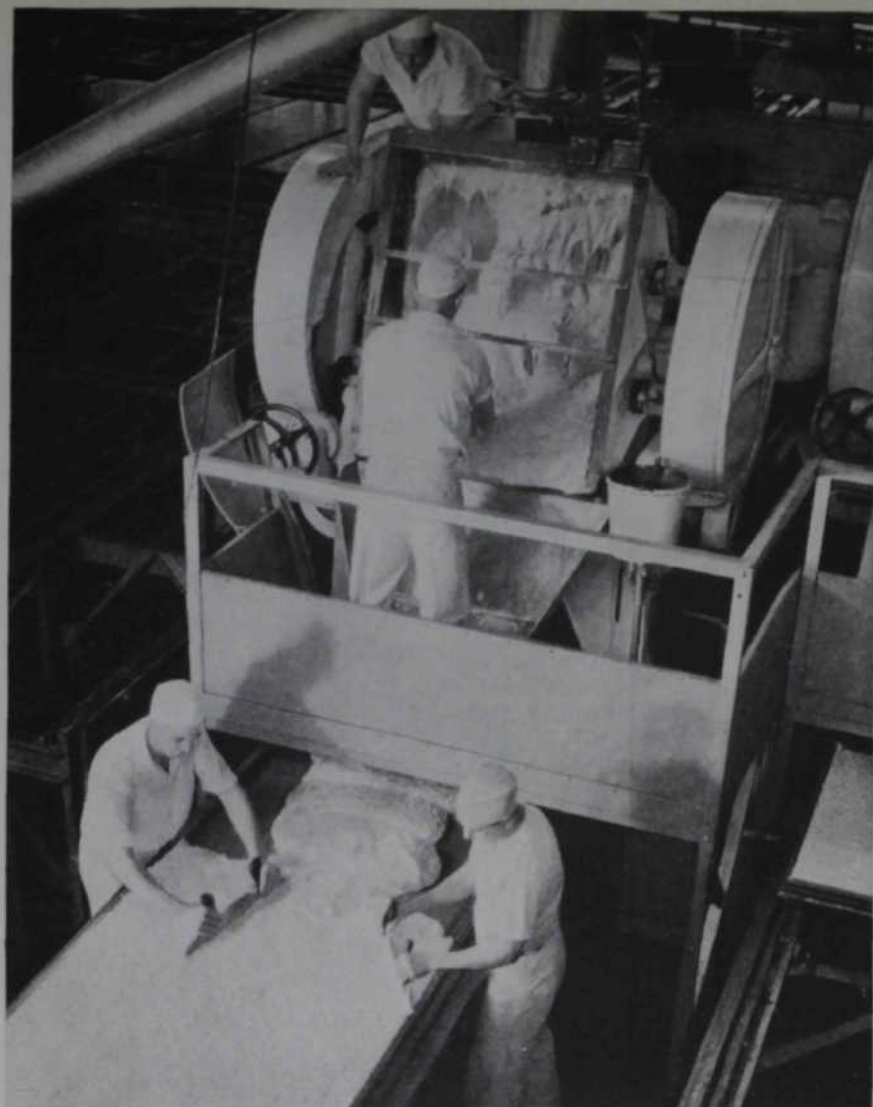
The early boxlike calculator, shown below, has been superseded by a compact, electric machine which not only has speed, portability and visibility but remembers totals. It is built by the Burroughs Adding Machine Company

Perhaps the Gordley & Hayes Company's water cooler is not properly described as a tool but it contributes much to office efficiency. The old type is compared here with the new designed by Gilbert Rohde



WYATT DAVIS

Formula



RAFAEL G. WOLFF

The nougat pours onto long trays or tables. It is smoothed down to bar thickness and the trays pass on to conditioners

A BOSTON correspondent writes the editor of *NATION'S BUSINESS*, deploring "the lack of opportunity in the United States." His letter is a challenge. He says:

"You are continually preaching about opportunity and the need to preserve it. But tell me, today, definitely, where is there any opportunity for a young man in any field? Take your choice—banking, power and light, manufacturing, oil, coal, farming. Opportunity is gone."

This is nothing new. Every so often in the past 20 years the same sort of request has come to the editor of *NATION'S BUSINESS*. During the bleak days of 1920 and '21 scores of similar inquiries were received. It is not beyond imagination that one came from Minneapolis. It might have come from a young man who wanted to know his chances in business. He might have asked about the candy-making business. A good many people would have answered—as the young man of today is too often answered: "What, the candy business? I should say not! Too many people in the candy business already. Anything but the candy business!"

The young man might have retorted: "But I want to go into that business." Here is what happened—

BACK in 1920 a man by the name of Franklin C. Mars, then in his 30's, decided that there were opportunities in the candy-making business.

"A quality candy bar," he thought. "Now there's

something that people will buy."

This was not exactly an idle thought. Mars had been a candy salesman since his 'teens and had had his own wholesale candy business in Takoma, Wash. He knew what people would buy. Neither was the thought exactly original. A lot of other men had the same idea and already were making good candy bars.

Just how many candy bar manufacturers there were and how many bars they were making, Mars had no way of knowing. There were few, if any, statistics relating to candy production. Maybe it was a good thing for Mars—and, as it turned out, for a good many hundred others—that such statistics were not then available. Maybe it was a good thing for him that the United States Department of Commerce waited until 1928 to describe the candy-making business of 1920 and earlier as "greatly stimulated by the war-time and post war-time conditions."

The statistics might have scared Mars out. He might have decided that the field was already overcrowded, that there was no opportunity in the candy business any more, that there

was no sense in getting into an industry that already was "greatly stimulated."

They might have scared him out, but from what I've heard of F. C. Mars—he died last February and it's my regret that I never knew him personally—my guess is that they wouldn't have.

You see, he had an idea. "People will buy a quality candy bar."

He started making a quality candy bar. He had the idea, but he didn't have much money. He started making that candy bar in the kitchen of his own home in Minneapolis. He made the bars himself. His wife, Mrs. Ethel Mars, sold them. He was just a little fellow breaking into an already "greatly stimulated" industry. But he had an idea—"a quality candy bar."

Outgrowing the old plant

HE had his troubles, of course. There were financial reverses and discouragements. But he clung to that idea of a quality candy bar. He worked out new manufacturing processes and new formulas. His business outgrew the family kitchen. But he was still a little fellow. In 1922 his volume was well under \$100,000. In 1923 he developed a bar which was destined to become the largest selling bar on the market. His idea was working. The business grew and grew. In 1927 it became Mars, Inc. The old plant was outgrown. The business needed both a new plant and a new location. That new plant

for Reviving Opportunity

By PAUL H. HAYWARD

IN the wealth of plans for bringing about recovery an important ingredient is too frequently overlooked. Therefore, let us call your attention to this true story of a plan, built solely on this one ingredient, which brought security, not only to the man who put it into practice but to hundreds of others

had been in Mars' mind for a long time. He had some ideas concerning more efficient production machinery and methods. He was dreaming no little dreams. Back there in 1920, as he worked away in his own kitchen, he dreamed of a day when he would make his candy bars in the most beautiful and most efficient candy plant in the world. A quality candy bar made in a quality plant. In 1927 he be-

Each day each girl cracks some 6,000 eggs into the little steel trough and receptacle in front of her



Pin inspection over, the workers file past a registered nurse who sees that hands and nails are clean



gan seeking a location for that plant. He found it in Oak Park, Ill., a pleasant residential suburb of Chicago, removed from the grime and smoke of the city. It was an unusual location for a factory, but it would enable his employees to live in better surroundings. Better living conditions, better employees. Better employees, a better candy bar. He held fast to his idea. In July, 1928, he started

construction of that plant. By this time fairly comprehensive statistics covering the candy industry were available through the Bureau of Foreign and Domestic Commerce of the United States Department of Commerce.

Perhaps Mars was studying these. He missed few angles of the candy business. Doubtless he saw the Bureau's report on "Candy Distribution in the United States," issued in April, 1928. Perhaps he read Director Julius Klein's foreword which said in part: "Candy manufacturing plants report 39.54 per cent idle and unproductive plant capacity, indicating production facilities in excess of current consumer demand."

had for a new plant and increased production. Clearly uneconomic and contrary to sound economic planning, you know.

But this was back in 1928. If Mars was foolish enough to build a new candy plant when more than a third of the old ones were already idle it was his own business. But anyone could see from the statistics that there was no opportunity in the candy business any more.

Straight-line candy production

SO in July, 1928, Mars started building a new candy plant. A quality plant to make a quality product. He still had his idea. A sun-lit plant of cool, Spanish design. A plant which would introduce straight-line production into the candy business, just as Ford had introduced it into the automobile business. A plant that was to make Mars known, in fact, as the Ford of the candy business.

Prior precedent in the candy business was disregarded both in the plant's layout and the machinery that filled it. Mars had his own ideas.

The end of the year saw the factory completed. Mars moved more than 200 workers from the abandoned Minneapolis plant down to Oak Park, bag and baggage, at the company's expense. They served as a training nucleus for new workers recruited locally. Production began in the new plant in January, 1929.

That year the new plant employed about a thousand workers. That year Mars, Inc., did more than \$20,000,000 worth of business in five-cent candy bars. Seven years earlier Mars' annual business was less than \$100,000. What the increase would have been had there really been opportunities in the candy business can be computed by those who like to toy with astronomical sums. Since 1929—right through the depression—the plant's kept busy. Volume has passed the \$20,000,000 mark in every one of those five years. One year it came within shouting distance of \$27,000,000.

But dollars are a cold measure of any business. You have to see that Oak Park candy plant and talk with some of the 1,300 or 1,400 workers there to appreciate both Mars and what he wrought. The plant constitutes a pretty handsome monument to his memory. Lines for an epitaph can be had from the lips of almost any one

of the workers. "F.C.," they call him. He was short, fair, energetic, you gather, hardly a handsome man nor yet a homely one. But he had a smile. Every one who knew him and who worked with him or for him seems to remember that smile. And he believed in a square deal. What's more, he practiced it. A quality product had to be made in a quality plant by quality workers.

That meant quality wages and quality treatment. In other words, a square deal. F. C. gave it and got it. They tell you at the plant that they've never had any labor troubles, that labor turnover is practically nil. A worker with a complaint always gets a hearing. Collective bargaining? Sure, if the workers want it. But so far neither company nor workers have evinced much interest in the union movement, company sponsored or otherwise.

Quality wages in terms of quantity mean around \$3,000,000 a year—one year it ran up to \$3,500,000. They mean, plant officials tell you, one of the highest if not the highest wage scales in the industry. On top of that is a ten per cent weekly bonus for those who get to the job every day and on time.

Quality treatment, in addition to a square deal, means encouragement and promotion of workers from the ranks. It means physical working conditions as pleasant as they can be made. It means a large, airy cafeteria where food is served at cost and where executives and humbler workers dine alongside and from the same menus. It means a golf driving course and a ball diamond laid out in the plant's landscaped surroundings. It means a welfare loan fund, set up by the company, from which loans, and sometimes outright gifts, are made. No interest is charged on the loans, and not many are necessary.

"Our workers are pretty carefully selected," you're told, "and they're a thrifty lot. But sometimes sicknesses or other family emergencies come up—"

But it's the plant that lends substance to F. C.'s shadow and the idea on which he built. Doubtless there are other candy plants which approach or perhaps equal it. I haven't had opportunity to visit them. I did see this one.

A fountain splashes in a lofty, patio-like room as you step through the entrance. Air conditioning and growing plants make it pleasant for the hundred-odd workers at

(Continued on page 68)



So in July, 1928, Mars started building a new candy plant. A sun-lit plant of cool, Spanish design. A plant which would introduce straight-line production into the candy business

Needless Worry About the Grocer

By PAUL FINDLAY

AN authority on the food trade takes exception to the interpretation placed upon statistics covering this tremendous and complicated business. In this article he examines the state of the "little fellow" in the grocery business and finds him doing all right

THE BUSINESS community has become so inured to bad news that it is willing to accept each new accretion at face value. With a "state of emergency" being declared in one line of business and another upon the slightest provocation, with code hearings at Washington serving as sounding boards for all the woes that afflict or may afflict business, it is small wonder that cold appraisal of such outpourings is too often lacking and that sense of proportion is lost.

Nowhere have these trends been more evident than in the food business—a business which in 1933 was estimated at \$75.30 for every man, woman and child in the country. In 1929 the figure was \$107.66 (based on the census' \$13,220,000,000 total grocery sales including specialty items) though physical volume of goods purchased was virtually the same in both years. Say \$538.30 per family in 1929; \$376.50 per family in 1933.

A tremendous and complicated business this, and the statistics covering it are equally extensive and complicated. Perhaps it was inescapable that the National Recovery Administration, working under high pressure, should misinterpret those figures. But when that misinterpretation leads to official pronouncement equally fallacious, when commentators seize upon that statement to develop dire consequences, surely it is time



EWING GALLOWAY

Housewives are impartial bargain hunters; they coldly scan all "special offerings"

for sober judgment to dispel the cries of "Wolf, wolf" that currently resound through the trade.

The NRA pronouncement was voiced by Administrator Hugh S. Johnson. I give it here broken into numbered paragraphs, for purposes which will appear.

1. "In recent years"—declared the General—"and especially with the growth of chains, a practice has grown up of selling one or two items at a loss in order to get people into a store.

2. "The little fellow cannot afford this.

3. "The public is fooled because

what it saves on one item it loses on another.

4. "In the last four years, 400,000 retailers have been driven out of business and it is bitterly complained that this so-called 'loss leader' is partly to blame.

5. "For these reasons the retail code provides that it is an unfair practice to sell any article for less

than its invoice cost plus at least a portion of the wages paid to employees in the store."

Now the cold truth is that no facts in food statistics bear out this dictum. What in it is true is not new and what is new is not true.

Prosperous

AS will be seen, grocers were exceptionally—uneconomically—prosperous in 1930. An accepted survey¹ covering the first four months of 1934 shows individual grocers, commonly called "independents," more strongly entrenched than for years. Behind them they had a record of stability and earnings, with loss of volume so slight, as to put them in a position relatively more fortunate than chain grocers.

The food business as a whole is demonstrably in good shape. There is ebb and flow in the various segments but these balance each other more regularly and precisely, more stably and consistently, than perhaps in any other great branch of commercial activity. No other industry solves its current problems more successfully. This business serves the public with steady, commendable progressiveness; and it does so by and from within itself, without outside "aid" of any kind.

So, with our feet on solid actuali-

¹ By the *Progressive Grocery*, published by Butterick Business Publications, New York.

ties, let us assay Administrator Johnson's findings.

In Paragraph 1 he outlines a trade practice which is not "recent" but so old that no memory can recall its beginning. It is found in all retail business, practically.

Successful in many cases

THE "little fellow" of Paragraph 2 has "afforded this" as well as he has anything else. Many date their profits from the time they begin "to sell some goods at a loss." The scheme has paid or not depending on whether

this form of advertising has been used or abused; and the "little fellow" has found advantages therein not enjoyed by big merchants. In his self-controlled business he can check the practice closely and limit losses—or costs—where bigger men with many outlets must take longer chances. But when, as a recent Saturday, a single-store grocer seeks to "meet competition" with 14 staples priced below cost, what but disaster can be looked for? So, here as elsewhere, the "little fellow" has grown big or fallen out, regardless; and there is nothing new about that.

In paragraph 3 is another wrong slant. Grocers, including "little fellows," never thought it sinful to fool the public until they found—more especially of late—that the fooling did not take. This is what really lies back of the "bitter complaint."

A widespread and persistent belief is that fooling "the public" is easy. As applied to grocery prices, this is a grave error. Successful deception has always occurred before the goods have reached the retailer. It has been accomplished through false labels, substitute ingredients, misbranding,

(Continued on page 62)

Can Gates Be Barred?



PHOTOS FOR NATION'S BUSINESS BY THOMAS MCAYO

WHEN the Federal Trade Commission issued a complaint against the Purity Ice Company of Lakeland, Fla., and Felice Ferlise, its president, a significant precedent was established. By its action, the Commission demonstrated its willingness to enforce the "control of production" provision of the Ice Code. This provision stipulates that any enterprise which desires to establish additional ice production, storage or tonnage in any given territory must first establish to the satisfaction of the Administrator that public necessity and convenience require such additional capacity.

The Commission charges that the Purity Ice Company began operations without consulting the Administrator and that its operations constitute unfair competition in interstate commerce. The legal staff of NRA and of the Code Authority united in preparing briefs setting forth the arguments on this proposition.

The company contends that neither the Constitution nor the Recovery Act gives Congress authority to regulate or prohibit manufacturing; that the control of production provision in fact violates that section of the Recovery Act which states that "codes are not designed



Felice Ferlise (right) and Stuart T. Saunders examine the company brief while Hugh H. Obear looks on. The latter two are the company counsel

to promote monopolies or eliminate or oppress small enterprises"; that the company is not engaged in interstate commerce and practices no unfair competition. After sessions in Washington the hearing was adjourned to reconvene in Lakeland, Fla. The company must show cause why a "cease and desist" order should not issue.



C. F. Diggs, Trial Examiner

Gregory Hankin of NRA offers a good-natured argument; others, left to right, are a spectator; Peter Seitz, NRA; R. P. Whiteley, the Commission; and J. P. Taggart of the Code Authority

Those New Government Factories

By PAUL McCREA

Of the Staff of NATION'S BUSINESS

REPORTS that the Government was planning to open idle factories and man them with unemployed caused NATION'S BUSINESS to assign one of its staff to find out what actually was planned. This is what he learned

ANYONE who will take the trouble to substantiate recent rumors that the Government, seeking new adventures in business, is planning to open idle factories and man them with the unemployed will find that the facts are these:

The Government is canning meat and making bedding.

Of course, a dozen other enterprises will come at once to mind. An underwear factory has been opened at Millville, Massachusetts; fish are being canned in Maine; there is much ping-ponging about a furniture factory at Knoxville, Tennessee. Other examples can be found in other places. These, however, are state or local undertakings. Although they may be opened by the use of funds obtained from the Federal Emergency Relief Administration, their pay rolls and expenses generally come from local relief funds. They differ from other local relief projects only because they are more ambitious.

The meat canning and bedding programs, however, originated in Washington and are nation-wide. They are expected to serve three purposes: To relieve surpluses; to provide jobs for the unemployed; to provide articles that the unemployed can use.

Thus enabling the unemployed to contribute to their own support should reduce relief costs and make everybody happy.

It is fair to report that the plans have already failed in this. Some people are very unhappy, indeed. A few of them feel toward the plans as the late Charles Mack of the Two Black Crows felt toward his partner's bazoo playing: "Even if it was good they wouldn't like it." This is not necessarily a narrow view. These people see these activities, born as emergency measures, being continued as "yardsticks" or "birch rods," for the future bedevilment of industry. They see them eventually expanding into other fields and this expansion is already threatening. Other dangers are prophesied, too.

A man in the packing industry explained them to me.



COURTESY FERA

Two views of the Amarilla canning plant set up in a former laundry. Above, filling retort with cans to be processed. Below, sorting and cutting meat

Emergency Relief Administration and the Federal Surplus Relief Corporation entered the picture and the canning project presented itself.

By mid-August the plan was operating in 20 states. Cattle were being bought at the rate of 60,000 a day. By early September, purchases had increased to 85,000 head a day. AAA immediately kills and buries the few that are unfit for use. The others are turned over to the Federal Surplus Relief Corporation.

This organization is the link which ties together the AAA and the FERA. Technically, it is the agent of the

state relief administration. Its first job in the canning program is to collect the cattle from the farms. Some of them it sends to pastures in the East and Southeast for "live storage" and fattening. Those fit for use are sent quickly to processors.

In early September 56,000 head a day were going to commercial packing plants in 34 states. These plants slaughter and process the animals under contract with FSRC. All are federally inspected and their products eligible for shipment in interstate commerce. They are not, however, able to handle the volume of work brought

commercial slaughter houses. This step was taken because killing and butchering is a skilled operation. Hand the ordinary man a steer and a hammer and the odds will favor the steer.

But, critics of the plan point out, canning itself is a skilled operation as one man soon learned to his sorrow. He was an experienced packer who, having received Government contracts, expanded his plant to handle the canning operation. Very shortly he had three carloads of spoiled product on his hands.

"If," said the man who told me this story, "that happens to a man who is used to handling meat, what sort of difficulties are the unemployed going to get into?"

Add to these possibilities the lack of federal inspection and, in this man's opinion the resulting situation is extremely dangerous.

"They're going to kill somebody," he said.

Experts in meat inspection do not subscribe to this view. They agree that, because meat is a slow conductor of heat, germs are likely to escape careless cooking, but they point out, there is nothing subtle about a can of spoiled meat. A bulged or gummy can should provide a visual warning for any observant housewife while decayed meat announces its presence frankly in a language any human nose should understand. Moreover, FERA regulations for state operated plants carry precise

provisions for sanitation and insist on state and local inspection of the plants.

"And," said one man, "state and local inspectors are no more human and fallible than federal inspectors."

"They aren't," another added, "if the laws under which they work are adequate."

Since people have been consuming state inspected products for years without lethal results, this danger is not causing serious worry.

What of the newly equipped plants?

THE same cannot be said of other questions born of the canning program. For instance, what will happen when the Government discontinues this enterprise? According to an FERA estimate the answer to this should come in about six months. By that time the drought cattle should be processed and the need for the emergency canning at an end.

Then, presumably, the leased plants would be returned to their owners. But, and this is the thing that haunts industry, many of these plants which were obsolete or at least run down, will have been put in excellent condition with the result that several people will find themselves equipped to enter the canning industry with negligible investment. That is something for the packers to worry about. Other industries found that they didn't have so long to wait. The tanners, for instance, found themselves possessed of a problem almost at once.

It grew out of the early FSRC contracts with commercial plants. These contracts, which were awarded on bids, called on the plants to prepare meat for the Gov-



LEO DITTARIS

Some of the cattle purchased by AAA in the drought country. Those shown here were found to be past saving and were killed

on by the emergency buying program so the rest of the cattle are being sent to plants supervised by the state relief associations and financed with Federal Emergency Relief money. These plants are of two kinds.

The first and preferred kind is the commercial plant with which the state emergency relief administrations make contracts. These are plants of various sorts. Some are slaughtering and packing plants, some are meat-canning plants which capacity, in whole or in part, is contracted for. Some are vegetable-canning plants which have been remodelled to handle meats.

The second kind of plant is that set up for the emergency by the states. Some of them are closed plants reopened on lease; some are new plants set up as work projects; some are plants which had been out of operation but have been put into condition to reopen. The policy in all such cases has been to retain the supervisory force but to man the plant with workers from the relief rolls.

One of the emergency plants set up as a work project by the state relief administration in Texas was established in a former laundry. It is still being used as a training school for those supervising the setting up of similar work projects in other states.

All the products of all these kinds of plants will be distributed to those on relief rolls. To prevent any of them from entering commercial channels, each can is plainly marked "Not to be sold" and a stiff fine is provided for those who feel that this warning is all in fun.

Other precautions have been taken to meet other early objections to the scheme. One of these is a provision for having actual slaughtering done, so far as possible, in

Burroughs



TODAY'S CONTRIBUTION TO TYPING



Electric Carriage Return makes it no longer necessary to break the rhythm of typing at the end of each line to shove the carriage back by hand. Thus, the full advantage of the operator's typing speed is preserved.

At a light touch of a single key the motor quickly returns the carriage and spaces to the next writing position. The operator's hands need never leave the keyboard.

Shifting for capitals is also electric.

The key touch, the size and the shape are like those of other Burroughs Standard Typewriters.

See for yourself how much this recent development contributes to faster and easier work.



THIS KEY ELIMINATES THE WASTE MOTIONS FORMERLY
REQUIRED TO SHOVE THE CARRIAGE BACK BY HAND

ELECTRIC CARRIAGE TYPEWRITER

ernment. Besides meat, a cow's carcass includes many things that the Government did not want. According to the contracts, these by-products became the property of the plants and this fact was considered in submitting the bids.

Among these by-products were hides which shortly began to glut the market to the great dismay of the tanners. They appealed for relief and \$10,000,000 of Government money to meet the situation. They did not get the money. The Government did agree that, after September 5, new contracts would be made with the commercial plants, and under these contracts, the Government would keep the hides out of commercial channels.

It was indicated that, as a result of this step, the government manufacturing program would be extended to include shoes, leather jackets and mittens. Production of shoes, it was said, will be let out on a contract basis.

State relief administrations are also handling the bedding making program although, in this case, no contracts are let or plants leased. All the work will be done with labor off the relief rolls in women's work rooms especially set up for the purpose.

When the scheme reaches maturity there will be nearly 700 mattress-making units, each employing about 30 persons. This will mean nearly 21,000 full time jobs which, converted into work opportunities on a budgetary basis, will give work relief to some 65,000 persons, most of them women. The work rooms will contain one or more of these 30-person units. Wages will be paid at the prevailing rate for similar work in the locality but, in no instance, can the pay be less than 30 cents an hour. Most of the work will be done by hand. In addition to mattresses, comforters and sheets will be made.

FERA will use 250,000 bales of cotton in the mattresses and comforters. Some of this will be in the form of ticking and sheeting which will be purchased from commercial firms on bids. These bids stipulate that, if the ticking is made from cotton already on hand, the maker must immediately buy cotton to replace it.

This will, of course, make something of a hole in the cotton surplus which is regarded as a commendable thing to do. It will, further, provide persons on relief rolls with something they badly need. A check on one

southern state showed that 60 per cent of the people on relief had no mattresses. Moreover, safeguards will be taken to keep the mattresses out of commercial channels. They will be given to the needy who, Government officials point out, would not be in the market for mattresses anyhow. Persons receiving them must sign an agreement to destroy their old mattresses, if any, and not to resell the new ones, the penalty for resale being removal of the offenders' names from the relief rolls.

Claims and counterclaims

ALL of this is officially regarded as guaranteeing that private industry will suffer no ill effects from the plan. In fact, according to one view, private industry should actually benefit because persons unused to such luxury may become "mattress conscious." Even if this doesn't happen and if some invasion of commercial markets unwittingly occurs, the saving in relief costs, and the fillip given the textile industry by the government purchase of ticking and sheeting should more than balance the loss.

All of these arguments leave private industry unconvinced. One of the complaints is made by the St. Louis Retail Furniture Dealers Association which objects to the quality of mattresses the Government plans to turn out. Specifications provide that each such mattress shall be 74 inches long by 52 inches wide by five inches thick and weigh not more than 55 pounds nor less than 50.

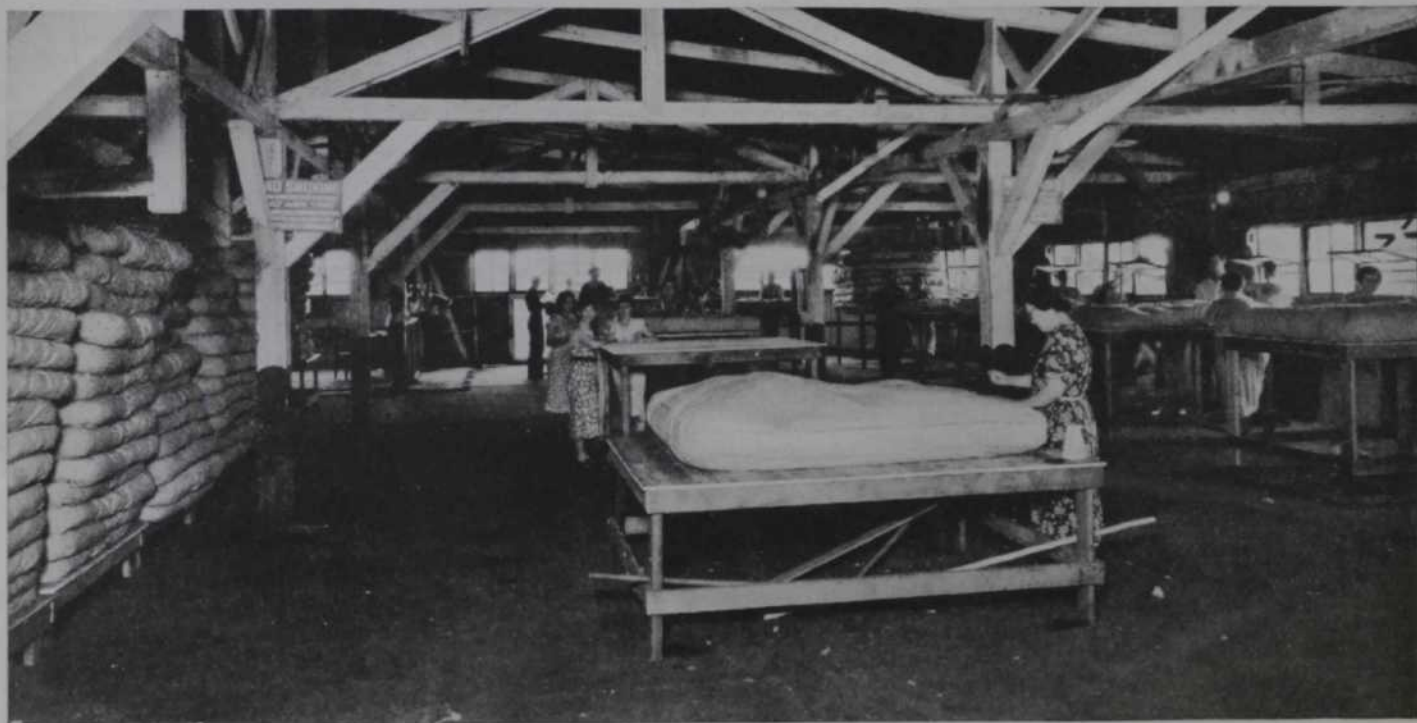
The Furniture Dealers point out that such mattresses, made as planned with staple cotton or first cut linters and covered with a very good grade of ticking, should have a life of from 15 to 20 years.

"If," the Association says, "it is necessary to give individuals in dire need a mattress, the Government could purchase a cheap one with a life of from two to three years and, if the emergency is not ended by that time, another could be bought as a replacement."

In other words, people who are now in need but might in two or three years be on their feet again and able to buy mattresses are being removed from the market.

Meanwhile the National Association of Bedding Manufacturers has assailed the plan, pointing out that

(Continued on page 77)



Each mattress making work room means 30 jobs for the unemployed. Except for sewing machines, all work is done by hand. This is the tufting department

COURTESY FERA

What a Program of Life Insurance *really is* and *what it will do—*

*E*very thoughtful man realizes that one of two things must happen: He will live to an age when he will want to retire and enjoy his leisure—or, if he is taken prematurely, his family will need protection.

The old way of "carrying" a certain amount of Life Insurance with no definite plan for its use is rapidly being replaced by a sounder plan.

The safer, modern method is to build a Program of Life Insurance which provides varying amounts of insurance to cover various needs. By means of such a Program, the head of a family decides in advance what provision shall be made for those who must be protected should anything happen to him. He does not put needless burdens upon inexperienced shoulders.

You can arrange a personal Program of Life Insurance which will cover essential needs. For example, you can arrange for:

1. Immediate cash for the payment of bills.
2. A monthly income for your wife and family.
3. Money to pay off a mortgage—if there is one.
4. A fund for the education of your children.

You may wish to provide for other needs in your Program. One of them may be Retirement Income for your own leisure days.



"Would it be fair to burden her with the financial problems that you can solve?"

A Metropolitan Field-Man will be glad to give you practical suggestions as to the best way to plan a personal Program to meet your own requirements. Send for him or mail this coupon.

* * *

The Metropolitan issues life insurance in the usual standard forms, individual and group, in large and small amounts. It also issues annuities and accident and health policies.

The Metropolitan is a mutual organization. Its assets are held for the benefit of its policyholders, and any divisible surplus is returned to its policyholders in the form of dividends.



Metropolitan Life Insurance Company,
1 Madison Avenue,
New York, N. Y.

Without placing myself under any obligation, I would like to have information regarding a Life Insurance Program to meet my needs.
(N)

NAME _____

ADDRESS _____

CITY _____

STATE _____

METROPOLITAN LIFE INSURANCE COMPANY

Frederick H. Ecker, President

One Madison Avenue, New York, N. Y.

© 1934 M. L. I. CO.

Can We Make Everybody Rich?

By J. WARREN BISHOP

Managing Editor, NATION'S BUSINESS

THERE seems to be general agreement that this would be a better country if everybody could have all the comforts and security modern science makes possible. Many schemes are offered to make this possible by dividing wealth. Unfortunately most of them neglected to find out how much wealth there would be if it were distributed

THE WORLD buzzes with plans to make everyone happy by taking from A. to give to B. The assumption is that if we could only divide what there is there would be enough for everybody. California, always the home of enthusiasms—religious, political and economic—has this year a fine list of plans to make the poor well off.

Upton Sinclair, veteran Socialist, won the Democratic nomination for governor on a platform which promises a state income tax beginning at \$5,000 and steeply graduated, plus old age, disability and widows' pensions and an almost confiscatory inheritance tax.

While Socialist Sinclair is winning the Democratic nomination, the Utopians, a mystic organization of men and women who believe that the world can be regimented so that every one shall have all he wants, are growing in number and threaten to spread their membership across the continent.

Even more striking is the "Old Age Revolving Pension" plan originally set on foot by Dr. F. A. Townsend. His petitions urging his idea upon Congress already have more than 100,000 signers. Dr. Townsend would give \$200 a month to every person 60 years old or more and each such person would have to refrain from gainful employment and agree to spend all his \$200 each month.

Dr. Townsend's mildest estimate puts the amount required at \$1,140,000,000 a month which he thinks could be raised easily by a retail sales tax. Dr. Townsend does not seem to reckon with the fact that sales through retail outlets even in 1929 were only about \$50,000,000,000 with an additional \$3,000,000,000 of retail sales by wholesalers and manufacturers. A retail sales tax as high as 25 per cent on this 1929 total of \$53,000,000,000 would yield but \$13,-

250,000,000 a year—less than the doctor's plan requires.

Huey P. Long is another who knows the way to wealth for all. He prints the answer in a booklet called:

SHARE OUR WEALTH
EVERY MAN A KING

He believes that every family should have \$5,000 and that no man should have more than \$50,000,000. There is enough, he is sure, for that. That would assure every family "a home, an automobile, a radio and the ordinary conveniences and the opportunity to educate their children." After that "a fair share of the income of this land . . . so there will be no such thing as family living in poverty and distress."

Social security sought

THESE plans are fantastic but there are soberer thinkers who would in some way redistribute our national income. Nor are these ideas lacking in popular support. None of us but sympathizes with the ideals of President Roosevelt as expressed in these words in his message to the last Congress:

Among our objectives I place the security of the men, women and children of the nation first.

This security for the individual and for the family concerns itself primarily with three factors. People want decent homes to live in; they want to locate them where they can engage in productive work, and they want some safe-

guard against misfortunes which cannot be wholly eliminated in this man-made world of ours. . . .

These three great objectives—the security of the home, the security of livelihood and the security of social insurance—are, it seems to me, a minimum of the promise that we can offer to the American people. *They constitute a right which belongs to every individual and every family willing to work.*

President Roosevelt restated this program in his radio talk to the American

people on the eve of his trip to the Pacific, but substituted for the second point of locating the people "where they can engage in productive work" this phrase:

"To plan the better use of land and water resources of this country to the end that the means of livelihood of our citizens may be more adequate to meet their daily needs."

But how can we achieve these ends without making people work more and produce more? A thousand voices are ready with the answers: Just divide what there is and everyone will have enough and to spare.

Before we start to divide perhaps it might be well to figure out what each of us would get if we did. Let's stick to income rather than wealth, at least at first, because we have recent and acceptable figures on income and we have also current estimates of income from year to year.

The income figures are found in a pamphlet published by the Government called, "National Income 1929-32."

It was published as the result of a resolution introduced by Senator LaFollette of Wisconsin and passed by the Senate. This resolution called upon the Department of Commerce to provide the figures of national income for the years 1929-1932 inclusive. The Department in turn called for assistance upon the National Bureau of Economic Research, a non-profit organization of economists

ONE CHEVROLET TRUCK USUALLY LEADS TO ANOTHER



Chevrolet truck owners themselves offer the best evidence that Chevrolet trucks give exceptional satisfaction. They usually order new Chevrolet trucks to replace old equipment, convinced by personal experience of Chevrolet economy, dependability and long life. Their loyalty is rewarded, for each year Chevrolet trucks give increased hauling satisfaction. The 1934 line of Chevrolet trucks provides many new improvements for efficient hauling, full truck strength in every part, and the welcome economy of six-cylinder, valve-in-head engine design. So many truck owners standardize on Chevrolet equipment that it will pay every firm to investigate the reason. You can handle every load at minimum cost for gasoline, oil and upkeep with low-priced Chevrolet trucks.

CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN
Compare Chevrolet's low delivered prices and easy G. M. A. C. terms
A General Motors Value

CHEVROLET

SIX-CYLINDER VALVE-IN-HEAD

TRUCKS

These Experienced Operators Replace Chevrolets with More Chevrolets

200,000 Miles . . . In 1930 we purchased a Chevrolet truck which has been hauling freight loads of 4 to 9 tons on the truck and 4-wheel trailer. It traveled 114,000 miles before requiring a major motor overhaul. It has now traveled over 200,000 miles. I purchased another Chevrolet truck in 1933, a new 1934 Chevrolet truck the first part of this year, and I have placed my order for another 1934 Chevrolet truck with semi-trailer.

H. F. Reilley, General Manager,
California Fireproof Storage & Transfer Co.

125,000 Miles . . . The Chevrolet 1933 tractor-truck I am now operating has never stopped in 125,000 miles over a period of 11 months and is now running on its original rings. I have had the valves ground twice. I have experienced a 12-mile-per-gallon gas consumption over this period. Within the next few days I will give you an order for a new 1934 model for immediate delivery.

H. N. Craig, Merchants Parcel Delivery Co.,
Terre Haute, Ind.

100,000 Miles . . . I am enclosing a photograph of one of the Chevrolet fleet I bought in 1929. This truck has gone over 100,000 miles, at the present time is covering a route of 100 miles a day. Because of such performance, I have placed an order for 12 more.

G. L. Scheer, Scranton, Pa.

150,000 Miles . . . The 1929 Chevrolet truck I am trading today has been driven more than 150,000 miles in 4½ years. Nothing was ever done to the motor except the replacement of a coil. The 1934 Chevrolet truck I am buying today is our 9th one.

C. R. Bevers, White Star Laundry,
Durham, N. C.

which has devoted much work to the problems of wealth and income of the United States. The result is a 260 page Senate document which gives us income figures for the most active business year in the history of the United States—1929—and the lowest year of a great depression—1932.

Extremes in our income

IN 1929 this country had a population of 121,000,000 and it produced an income of \$83,000,000,000. If we imagine for the moment that that income could have been divided among the population, every man, woman and child would have received \$686. A family of father, mother and two children would have \$2,744.

The year 1932 tells another story. In that year the Department of Commerce, supplemented by the National Bureau of Economic Research, tells us that income produced was only \$39,000,000,000, less than half that of 1929, while the Census Bureau estimates the population at 125,000,000. A simple example in long division gives us an income for each individual of \$315, or for that same family of four, \$1,260.

But the fact worth remembering is that the actual workers, and by workers I mean wage earners, not salaried men, got surprisingly near their share of the total income both in 1929 and 1932. In 1929, nearly, but not quite, 50,000,000 persons were gainfully employed in the United States and the eighty-three billion dollars income divided among them would have netted each \$1,660. And if we recall that, on a basis of four to a family or thirty million families, there must have been an average of $1\frac{3}{4}$ wage earners to a family, we can see that the equal division we have outlined would not have added much to the average income.

Leonard P. Ayres, of the Cleveland Trust Company, in a recent bulletin approaches the subject from a slightly different angle but with even more devastating results. He takes the figures produced by the Department of Commerce at the request of Senator LaFollette and shows that if all the wages paid by American corporations in 1929 had been divided equally among the wage earners, each would have received \$119 a month, or a little more than \$1,400

a year. But suppose, Colonel Ayres asks, we divided equally among all those engaged in carrying on the work of the corporations the total wages, salaries, bonuses and shares of the proprietors, how much would each then receive? In 1929 each would have had \$131 a month, an increase of not quite ten per cent. But suppose we went still further and divided, among those actually engaged in the business, the dividends as well. Surely then the worker would be well off. As a matter of fact, his monthly income would be \$147, instead of \$119, an increase of less than 24 per cent. And that in a year of great prosperity. Similar figures for the depression year, 1932, show increases of about 14 and 23 per cent.

The accompanying table from Colonel Ayres' bulletin tells the story. In other words in our best and our worst years labor gets a little better than 80 per cent of the income of our corporations, leaving 20 per cent to be divided between the salaries of management and dividends and interest paid to capital.

It is interesting to note that what might be called the wages of capital suffered most as the years grew leaner.

Another and even more striking picture of the extent to which workers share in the income produced by

corporations is given by George O. May, a distinguished accountant and a member of the National Bureau of Economic Research. He takes the figures of total income produced as given in the government reports and compares them with the share given to labor, including in labor both salaries and wages—head work and hand work.

He figures that, in the best year, 1929, with a total income from the United States of eighty-three billion dollars, labor got about fifty-three billion dollars or something more than 63 per cent. In 1932 when the total income was only thirty-eight billion dollars, labor got thirty-one and one-half billion dollars or more than 82 per cent. Your chances of pulling through the depression were better if you were a worker with a wage or a salary of say \$2,000 a year than if you were a capitalist with an income of \$2,000 a year drawn from investments. Perhaps the next cry for a division of income will come not from the workers but from those who have been living on investments.

This suggestion that the "capitalist" didn't do as well as the worker in depression is amply borne out by further figures which come from the National Bureau of Economic Research. These figures cover all corporations in the United States and, since the bulk of our production, except agriculture, and much of our distribution are by corporations and since all corporations must report their deficits as well as their incomes, the investigators got an accurate picture of how investors fared in the good years 1927, 1928 and 1929 and in the lean years that followed.

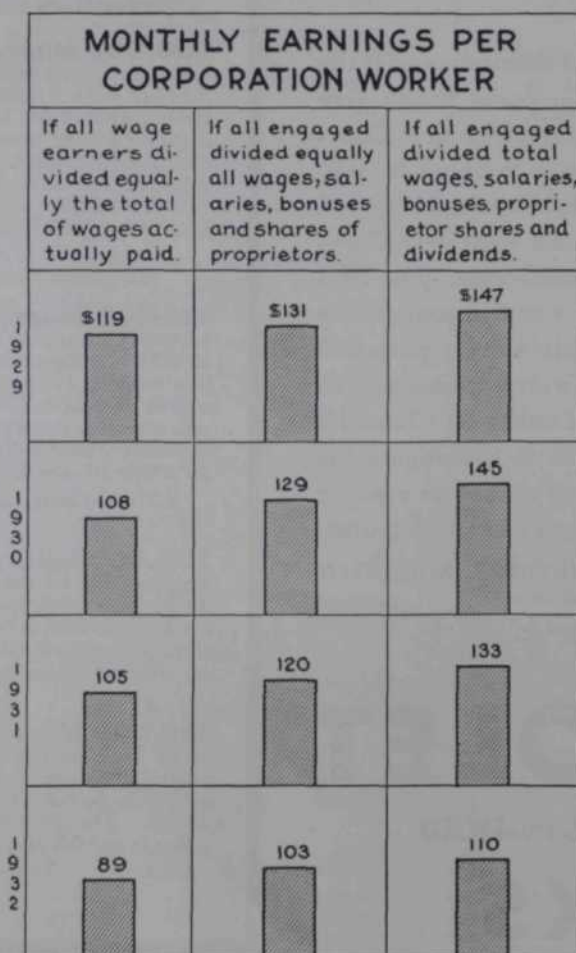
Averaged 2.8 per cent

THE number of corporations reporting does not change greatly. There were 425,000 reports for 1927. That figure climbed to 460,000 in 1931 and dropped to 447,000 in 1932.

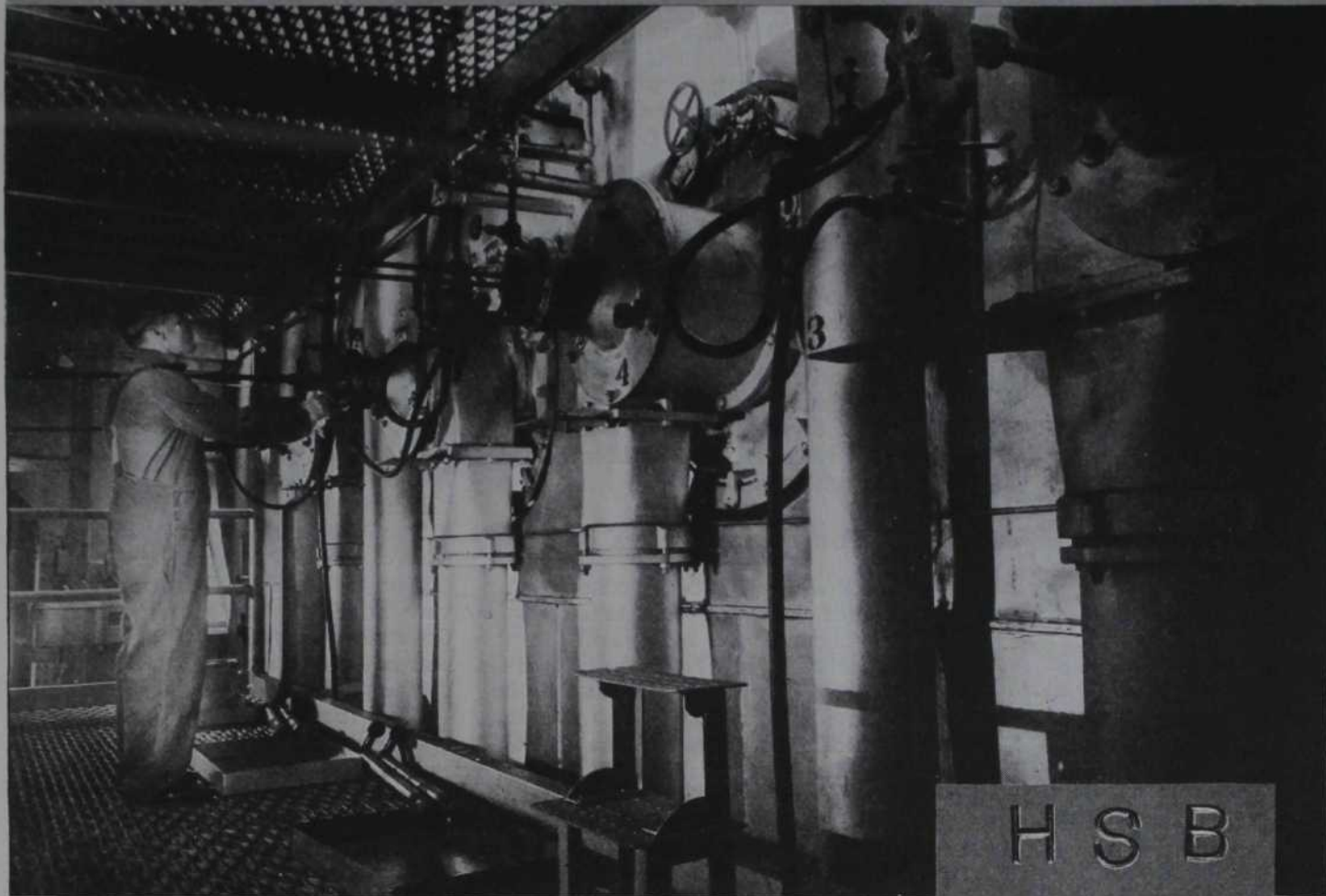
But the profit figures tell a vastly different story. Here is the roll call for six of the most dramatic years of American economic history:

Year	Net Income or Deficit
1927	6,840,000,000
1928	8,670,000,000
1929	9,130,000,000
1930	1,960,000,000
1931	D 2,850,000,000
1932	D 4,600,000,000

In that last and, we hope,
(Continued on page 81)



Your boilers may suffer from "hardening of the arteries"



Hartford Steam Boiler inspector checking an insured boiler

90% of the power boilers built for America's industrial plants are inspected during construction by Hartford Steam Boiler, whose stamp of approval is the famous "HSB" hammered into the metal.

IF THE last few years have been hard on business men, they have been hard, too, on boilers and other power equipment. Boilers, like men, grow old, show signs of strain, eventually crack under pressure unless properly treated. Actual disease attacks them and renders them unfit to undertake the strenuous duties of a recovery period.

As an inspector of the Hartford Steam Boiler Inspection and Insurance Company, on his periodic rounds, squirms into boilers protected by this Company, he searches for disease. Peering through a Magniscope, he can find tiny fissures, perhaps no wider than .002 of an inch, apparently no more

dangerous than a scratch. He can and does detect tracings of treacherous boiler diseases and reports them in time for the owner to make repairs. Thus thousands of dollars are saved to Hartford Steam Boiler policyholders in shut-downs avoided, production schedules maintained, profits written on the books.

Hartford Steam Boiler insures against damage to property or persons—as a result of explosions or accidents to power, pressure or refrigerating apparatus. If desired, it also insures against loss occasioned by stoppage of plants, or from spoilage due to such interruptions. To lessen the chance of accidents, and to make the

assured a good risk, hundreds of trained inspectors check periodically every piece of Hartford-insured equipment. Behind this field force are the wide experience and continued research of the Company's engineers, each of whom is a recognized authority on the construction and safe operation of power equipment.

This is a good Company to know about as the wheels of industry spin once more. Its conservative management and sound investments have resulted in a large surplus above all obligations. Agents and brokers will be glad to discuss with you what Hartford Steam Boiler can do for your business.

■ ■ THE HARTFORD STEAM BOILER ■ ■
INSPECTION AND INSURANCE COMPANY

HARTFORD • CONNECTICUT

WHY DETEX makes over a DOZEN MODELS



THERE is one Detex Model that will best meet your needs . . .

ANOTHER Detex Model may be required for the plant next door . . .

BECAUSE Detex makes a complete line—over a dozen models of watchmen's clocks—you are bound to find one that exactly meets your requirements.

ALL are approved by Underwriters' Laboratories, Inc., and the Factory Mutuals Laboratory.

Send us a brief outline of your requirements and receive full information promptly.

DETEX WATCHCLOCK CORPORATION
4153 Ravenswood Ave., Chicago, Ill. 29 Beach St., Boston
80 Varick St., N.Y. Room 800, 116 Marietta St., Atlanta

NB-10



WATCHMEN'S CLOCKS

NEWMAN ★ ECO ★ ALERT ★ PATROL

Britain Solves Her Housing Problem

(Continued from page 25)

about \$500. A \$5,000 house can be bought for \$375 down and \$7.00 a week. A pretty bungalow, built of asbestos-cement sheets, with tiled roof, can be bought for \$825. It comes to this, that any man in Britain who earns \$2.00 a day can now have a well-built and comfortable home, which will be paid for in about 15 years. And the wages of good gardeners or chauffeurs in London average \$12 a week.

Actually, a typical house which I visited—a \$3,125 house—was semi-detached, had a drawing-room and dining-room, each 13 feet long, three bedrooms, large tiled kitchen, tiled bathroom, separate lavatory, a radio set, electric clock, gas cooker and gas boiler. It had space for a garage. This house had been sold for a deposit of \$125 and instalments of \$4.37 a week. It is only 12 miles from the center of London.

A nation of workers' homes

BRITAIN is rapidly becoming a nation of home owners. Almost all the new houses are being built in the suburbs. Every house has its little garden. Any working man who can save \$150 can have his own home. Consequently, the problem of housing has been solved except for the unemployed and the very poor. And for them no solution has as yet been found in any country.

Twenty-eight per cent of the new houses are being built on the outer fringe of London. Farm after farm is being turned into a residential district. The area of this greatest of all cities is now about 800 square miles. People are moving to the suburbs. One London builder is building and selling a thousand houses a month. The slums are being depopulated.

The vital point to remember about this greatest of all house-building booms in Britain is that it is wholly due to private enterprise. Since the war, Britain has built 2,400,000 houses, thanks to private builders and Building Societies. Most of them have been built in the past ten years, since the Government decided to let housing alone.

It is now fairly well forgotten that Great Britain made an experiment immediately after the war. This experiment continued from 1918 to 1924. It was called "Reconstruction." For six years the Government Departments held fast to the powers they had acquired during the war. They obstructed and penalized pri-

vate enterprise. Many people in Britain now believe that more damage was done to trade and commerce by these six years of bureaucracy than by the four years of war.

The head of the British Reconstruction Department was a Professor. One of the heads of the Housing Department was a doctor. The control of business passed for a time out of the hands of those who owned the businesses and into the hands of politicians and Civil Service clerks. The wildest schemes were started. A bill was passed to spend \$5,000,000,000 on housing. For six years the Government did all that a Government can do. Its purpose was, so it said, to "restore prosperity." But the experiment was in every way a total failure. Had it continued two years longer, Great Britain would have been pushed into bankruptcy.

Immediately after the war, Mr. Lloyd George announced his slogan: "Homes for heroes."

The Government took over the control of the whole matter of housing and of building materials. Private builders were wiped out. The Government promised to build a million houses, to abolish the slums, to provide good and cheap houses.

What it actually did was completely to demoralize the whole building trade. The more it tried to keep prices down, the more they rose. In 1920 there was a condition of paralysis. The building people were tied hand and foot by red tape. In that year not a thousand houses were built in the whole of Great Britain.

Government housing impractical

IN THE three years from 1920 to 1923 only 160,305 houses were built and only 30,000 were built by private builders. These were the dearest and worst-built houses ever erected in Britain. Since then, many of them have been pulled down.

In 1924, the Government was forced to relax its control and 67,546 houses were built by private builders. The Government did not openly reverse its policy, but it stopped trying to carry its policy into action. Quietly, it cut the red tape and gave a measure of liberty to the people in the building trades.

As a result, in 1931 there was boom in building and 130,000 houses were built by private builders. This boom has continued without a break for three years.

It is now clear to everyone in Bri-

"It's the purchasing department, saying that many automobile manufacturers have announced

**NEW LOW PRICES
ON SAFETY GLASS
ALL-AROUND"**



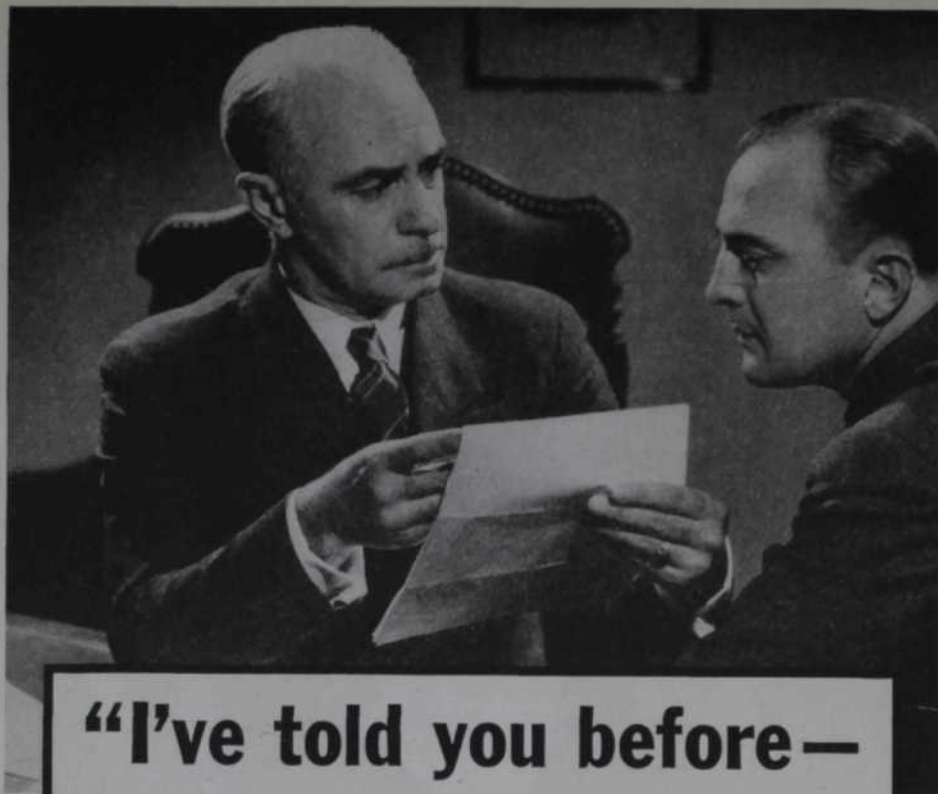
"THAT'S GOOD NEWS

Now we can give our salesmen greater protection, reduce lost-time motor accidents and guard our fleet investment against the day when all new cars will have Safety Glass All-Around and those without it will suffer in the used car market."

**A CAR IS NO SAFER THAN THE GLASS
IN ITS WINDOWS. THAT IS WHY
EVERY NEW AUTOMOBILE YOUR
COMPANY BUYS SHOULD HAVE**

LIBBEY · OWENS · FORD
SAFETY GLASS
all-around





**"I've told you before—
MUTUAL Insurance is one
way we can reduce our costs"**

IT doesn't matter if you own a house, an apartment building, a factory or a garage—any structure has to be protected against fire. And the premium to pay for that protection is an overhead cost.

Mutual fire insurance companies are helping more than six million property owners to reduce this item of overhead. Year after year, *Mutual* policyholders have saved a substantial part of their premium.

Like any other dividend, those of *Mutual* companies have to be earned. They have been earned consistently because *Mutual* companies have used care in selecting risks, and this has kept losses down. In addition they have tried in every way to help policyholders avoid fires. And *Mutual* companies have operated with rigid economy.

The fact that American property to the extent of 37 billion dollars is protected in *Mutual* companies is an indication of the stability and strength of the *Mutual* plan.

**Selected Companies with
Established Record**

The record of the companies comprising

The Federation of Mutual Fire Insurance Companies illustrates how effective the *Mutual* plan of operation can be. These 72 companies, strong, sound organizations, have returned over 125 million dollars to their policyholders in the past ten years—and the last five of these have been years of depression. The average age of Federation Companies is 50 years. Assets total over \$99,000,000.

No matter where your fire insurance is placed now, write today for a list of Federation companies, and an outline of how they have saved and returned money to policyholders. Every property owner should have this information.

This Seal Means Safety



This Seal identifies a member company of The Federation of Mutual Fire Insurance Companies and The American Mutual Alliance. It is a symbol of soundness and stability.

MUTUAL FIRE INSURANCE

An American Institution

WRITE FOR THIS BOOKLET

Federation of Mutual Fire Insurance Companies, 230 North Michigan Ave., Chicago, Ill.

Kindly send me a list of Federation Companies and your booklet explaining how the *mutual* plan cuts fire insurance costs.

Name _____

Street _____

City _____

NB-Oct

tain that if the politicians and Civil Service clerks had let housing alone, there would have been no housing problem at all. Before the war, about 100,000 houses a year were being built. The acute shortage of houses was caused by Government control.

Societies encourage home-owning

THE fact is that Britain has solved the housing problem by cooperation between the speculative builders and the Building Societies. The builders design and construct the houses. They engage staffs of salesmen. They advertise in the daily press. The Building Societies take over the contracts, pay cash to the builders and allow the house-buyers to pay on the instalment system. This system suits everyone concerned. The citizen gets his home. The builder gets his price and has no bad debts. And the Building Society gets from six to seven per cent on its capital.

A British Building Society is a combination of savings bank and mortgage trust. It offers from four to five per cent for money. It then lends the money to house-buyers on mortgage. It will lend as much as nine-tenths of the price. It receives no subsidy or state help.

All told, there are 1,013 Building Societies in Great Britain. There were twice as many in 1900. The tendency is for the larger Societies to swallow the smaller ones. The assets of all the Building Societies now total \$2,500,000,000.

They are managed efficiently and with a remarkably small percentage of expense. Last year, the management expenses of all the Societies totalled only \$13,674,000. With one exception, no large Building Society has ever gone into bankruptcy. These Societies have at present 950,000 borrowers—citizens who have bought houses.

The Halifax Building Society now overtops all the others. It has assets of \$463,000,000. It has 180,000 borrowers. In its great vault in Halifax it has 180,000 mortgages. Its income last year was \$166,200,000 and its net profit was \$2,184,000. It has been the largest Building Society in the world for more than 20 years.

The man who built up the Halifax Building Society, and who is still at the head of it, is Sir Enoch Hill. He is now 68. His life is a romance of self-help and achievement. He was a tiny worker in a silk mill when he was eight years old. When he was 37 he became the manager of the Halifax Building Society.

He is fairly well known in the United States, as he presided at the International and Centenary Congress of Building Societies held in

OUTPULLS GRAVITY 62,000 Times!

"OUR Super-Centrifuge, which rotates at 50,000 r.p.m., is used mainly to remove impurities from liquids. Gravity settling in a tank will crudely do this, but the Super-Centrifuge outpulls gravity 62,000 times. Even tiny bacteria cannot resist this force—they can be removed from a liquid in ten seconds. A 50c piece, if laid in the Super-Centrifuge, would weigh half a ton.

"The oil in your automobile must be free-running in frigid weather. So the refiner passes it through the Super-Centrifuge (Monel) to remove the wax.

"Your wine must be clear and free from yeast cells. So the vintner passes it through the Super-Centrifuge (Monel).

"You want orange and lemon flavorings in your desserts. So the fruit grower extracts them from the crushed fruit in the Super-Centrifuge (Monel).

"The silver deposit which is on your camera films is recovered in the Super-Centrifuge (Monel).

"For these liquids we can't use bronze, we can't use steel—Monel and nothing but Monel will pass our engineers and satisfy our customers.

"If the makers of Monel said to us 'The price of Monel goes up 300% tomorrow', we would still have to use it. It combines resistance to bending, to bursting, to eroding, and to corroding as does no other metal of commerce. It is the metal nearest to perfection for the heart-piece (the rotor) of the Super-Centrifuge."

* * *

You find Monel Metal in many other types of equipment, in many different industries: in food processing and packing plants; in chemical works, steel mills, and textile dyehouses; in hotels, hospitals and restaurants; in attractive kitchens of modern homes. Used to avoid contaminating the



"So the super centrifuge must be built of the strongest possible material", declares Mr. P. T. Sharples, President of the Sharples Specialty Company.

products with which it comes in contact, to combat corrosion and wear, to escape rust, to provide the tremendous strength demanded by Industry, it furnishes a combination of properties not found in any other metal. Investigate the many ways that this re-

markable alloy cuts costs in your Industry. How it adds a powerful sales stimulant to goods you sell to the public. Go to headquarters for facts. Our engineers are ready to give you unbiased data that shows how profitable Monel Metal can be to you. Write.

THE INTERNATIONAL NICKEL COMPANY, INC., 67 Wall St., New York, N.Y.



Monel Metal is a registered trademark applied to an alloy containing approximately two-thirds Nickel and one-third copper. Monel Metal is mined, smelted, refined, rolled and marketed solely by International Nickel.



Monel Metal

BUSINESS

as well as **ENGINEERING**

is controlled by

ACCURATE FIGURES



Upstream face, Boulder Dam

TIMELY, accurate, detailed figures are now, more than ever, indispensable to sound business management. With fluctuating production costs, your method of compiling figures must enable you to compare—*instantly*—actual costs with your standard costs; those of a year ago—a month ago—yesterday.

Have you at your finger-tips *quicker figures, cheaper figures, more accurate figures*—a barometer of your business condition?

Such figures are available to you—in time for them to be of value—through the use of the **COMPTOMETER PEG-BOARD METHOD**. Organizations, large and small, are turning to this flexible, efficient system of management control. Through its use, they are making appreciable savings in both time and money.

For detailed information on how it can be applied to your business, telephone the district manager of the Comptometer office in your locality, or write direct to Felt & Tarrant Mfg. Co., 1712 North Paulina Street, Chicago, Illinois.

THE COMPTOMETER PEG-BOARD COMBINATION PERMITS MORE EFFICIENT FIGURE WORK BECAUSE:

1 It makes use of *original* figures. Does away with the time and cost of recopying, posting. Reduces the chance of error.

2 It is extremely fast. Gives you figure facts while they are most valuable. Allows for prompt action on rapidly changing conditions.

3 It is flexible. Adaptable to most any kind of figure or cost routines.

4 It is economical. Savings of 35% or more are not unusual.

5 It is simple. Simplifies the routine of collecting and computing figure facts. Reduces the number of operations required.



Comptometer Adding & Calculating Machine
Made only by Felt & Tarrant Mfg. Co.

COMPTOMETER

TRADE-MARK

Philadelphia in 1931. He led a delegation of 130 representatives of British Societies. One of his speeches was broadcast in the United States.

Among the speculative builders in Britain there is no outstanding figure, but in the Building Society movement he looms above all others. He has been the creative thinker of the movement. We may say that the housing problem of Britain has been solved, not by any Government, but by this one man, who began his career as a silk-spinner's boy.

Sir Enoch Hill is not a believer in state control. He believes that private enterprise is better. In a recent interview he said:

"I have no doubt that individual enterprise, combined with social safeguards where the need is indicated, remains the most satisfactory basis, economically and psychologically, upon which to build our future prosperity."

As might be expected, this boom in building has created a liveliness in the real estate market. Scores of small fortunes have been made by men who owned farms on the edges of London. Many large estates have been sold. Last year, 5,640 new companies were organized in Britain. In amount of capital, the land and building companies led the way.

Regulations add to cost

THE general belief is that the boom will eventually be checked by the Building Regulations. The British Regulations and system of inspection are still the strictest in the world. This adds greatly to the cost of building. It prevents the building of cheaper houses—houses that could be sold for \$1,000 or \$1,500.

This problem, too—the building of houses for the poorer classes—could be solved by the speculative builders and the Building Societies, if the Building Regulations were relaxed. Certainly, wooden houses might be permitted in the suburbs and in villages. Already, an experiment has been made in this direction in Dundee, Scotland, and other cities are watching to see if it succeeds. In London, even the London County Council has modified its Building Regulations. It is, for instance, permitting the erection of buildings more than eight stories high.

The general tendency at present in Britain is toward less restriction and regulation. The swing is toward more liberty and private enterprise. A way has been found to provide houses for the middle classes and the upper class workers, and eventually, no doubt, this same method may be modified and adapted so that it will provide better homes for the poor.

From the Mutual Protection of Prairie Schooner Days . . . to



a billion dollar estate

ORGANIZED in the frontier days, before the Civil War—when hostile Indians were still roaming the plains—the Northwestern Mutual had its infancy in times when mutual protection was the most important phase of western life.

Those were the days when policyholders were required to ask permission, and to pay an additional premium, to visit California, Oregon, Washington Territory, and western Kansas and Nebraska.

Today, while less dramatic, the need for mutual protection is still so important a part of our national life that more than half a million Americans are banded together in the Northwestern Mutual for the financial security of themselves and their families. Its assets, as reported to state insurance departments, now total a billion dollars—a great estate administered for mutual welfare and protection.

Through consistent conservatism in every phase of its management, the Northwestern Mutual has achieved a leadership in life insurance, being now among the nation's half dozen largest companies and the *only* one in that group with its Home Office west of the Atlantic Seaboard.

Each year, more than 50% of its new business comes from members previously insured in this company—striking evidence of their conviction that the Northwestern Mutual is producing exceptional results for them.

A capable agency force stands ready to make a personal application of the service rendered, and to show you how safely and efficiently the Northwestern Mutual is prepared to serve you in your financing for the future. Mail us the coupon below for a copy of the booklet: "*Your Part of a Billion Dollar Estate.*"



The NORTHWESTERN MUTUAL

LIFE INSURANCE COMPANY Milwaukee, Wisconsin

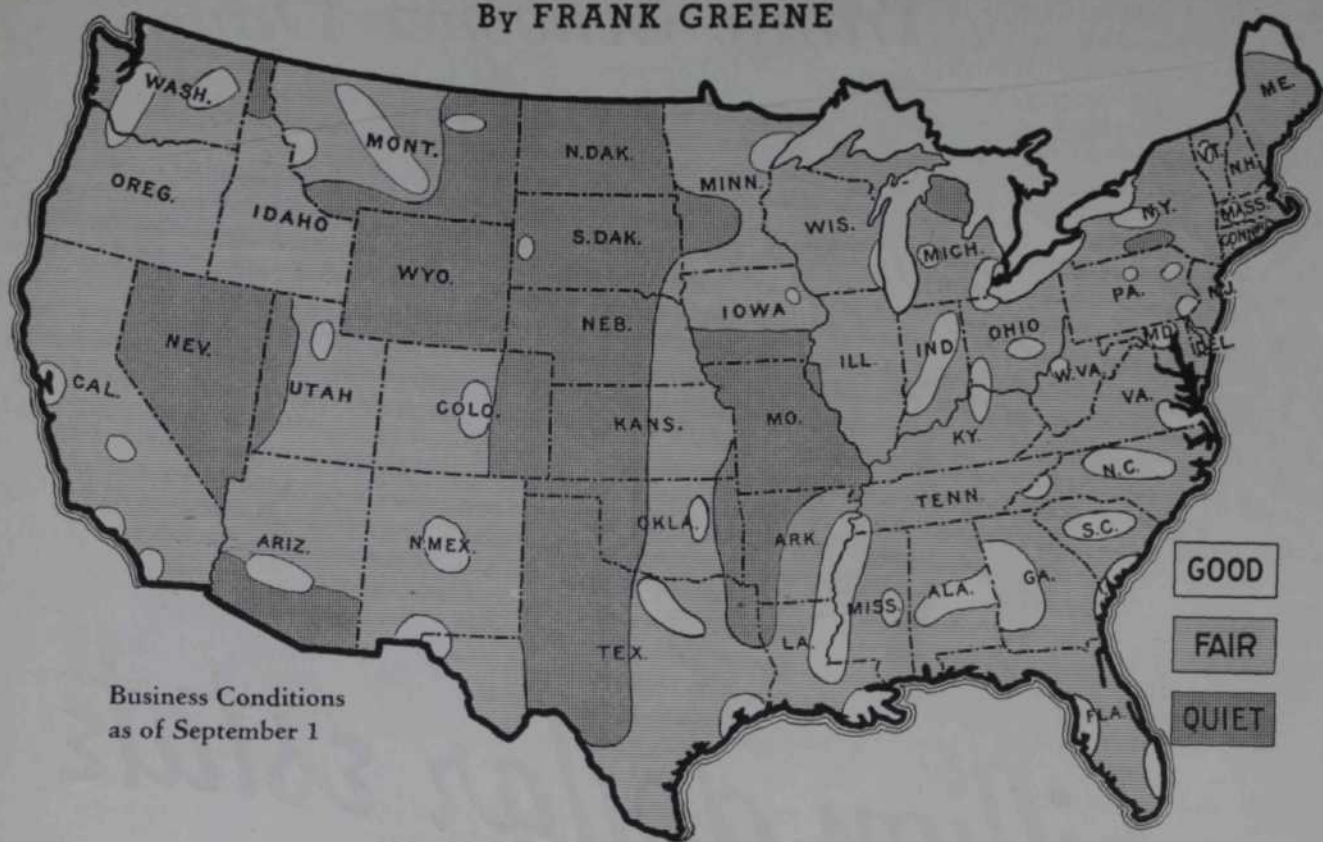
Without obligation, please send me the booklet
"Your Part of a Billion Dollar Estate"

Name..... Age.....

Address..... NB-10-34

The Map of the Nation's Business

By FRANK GREENE



AUGUST developments were partially in keeping with seasonal trends. Distributive trade sagged in most areas with industry losing more ground than merchandising. But the ending of the western drouth, improved soil conditions, cooler weather, higher prices for farm products and strike settlements brought better tone in western areas and a quickening of collections everywhere.

On balance, the indicators west of the Mississippi rose while in east, east central and some southern areas a further sag was noted.

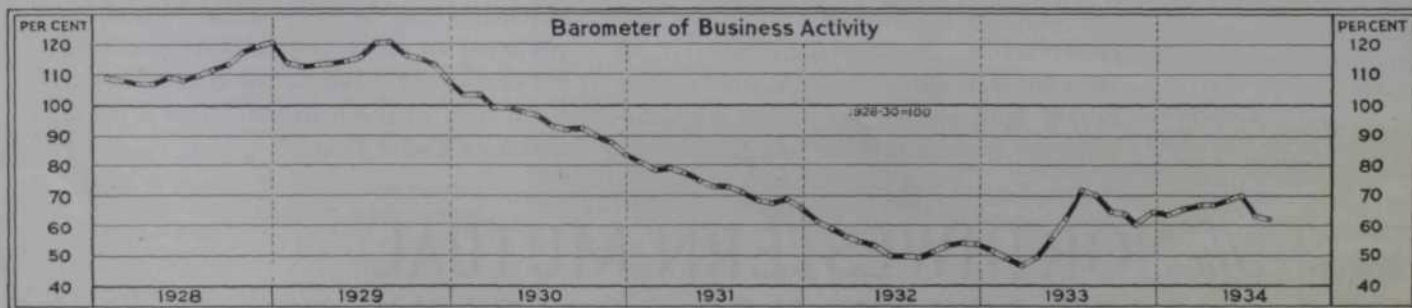
The smallest individual and collective estimates of cereal yields in 40 years advanced prices. Hogs and cattle reached highest price levels in three years. Higher food prices advanced Dun's price index 35 per cent over July, 1932. It is still 12 per cent below March, 1929.

Stock market trading was the slowest for August for a decade but prices gained slightly. Bond trading was heavy, government issues leading, with a small net price decline.

High tobacco and cotton prices and good returns from fruits brightened the map in the Southeast. Although much of the drouth damage to cotton in the Southwest was irreparable, better demand and prices helped growers who did make a crop.



The map of
last month

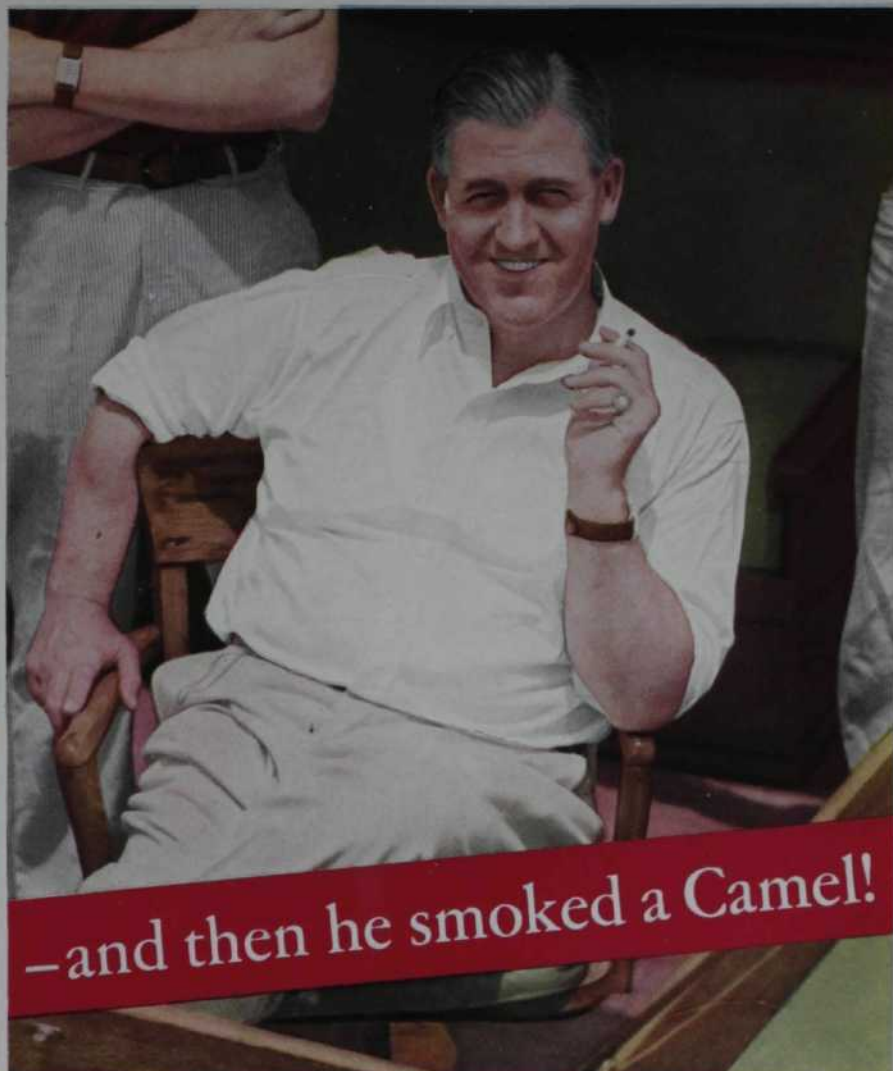


BASED ON INFORMATION SUPPLIED BY DUN & BRADSTREET, INC.

Three factors, steel production, carloadings and electric power output, contributed to the slight decline, only 1.2 per cent, in the Barometer of Business Activity during August. The price factor in August was the highest since May, 1931.



Energy used up



—and then he smoked a Camel!

FROM LONG KEY TO NOVA SCOTIA, the famous sportsman and writer, REX BEACH, has matched his skill and vitality against the big game fish of the Atlantic! Below he tells how he lights a Camel after fighting it out with a heavy fish — and soon "feels as good as new."

REX BEACH EXPLAINS

how to get back vim and energy when "Played Out"

"Any sportsman who matches his stamina against the fighting strength of a big game fish," says Rex Beach, "has to put out a tremendous amount of energy before he lands his fish. When I've gotten a big fellow safely landed my next move is to light a Camel, and I feel as good as new. A Camel quickly gives me

a sense of well-being and renewed energy. As a steady smoker, I have also learned that Camels do not interfere with healthy nerves."

Thousands of smokers will recognize from their own experience what Mr. Beach means when he says that he lights a Camel when tired and "feels as good as new."

And science adds confirmation of this refreshing "energizing effect."

That's why you hear people say so often: "Get a lift with a Camel." Camels aren't flat or "sweetish." Their flavor never disappoints. Smoke Camels steadily—their finer, MORE EXPENSIVE TOBACCOS do not get on the nerves!

**CAMEL'S
Costlier Tobaccos
never get on
your Nerves**



Camels are made from finer, MORE EXPENSIVE TOBACCOS—Turkish and Domestic—than any other popular brand.

**"Get a LIFT
with a Camel!"**

Copyright, 1934, R. J. Reynolds Tobacco Company

THE *Tail* DOES



ALCOA

WAG THE

Dog

● Only one per cent of the weight of a locomotive is in the strong rods that connect the pistons with each of the driving wheels.

Yet by making these rods of Alcoa Aluminum, the performance of the locomotive is so greatly improved, that we use it as a distinguished example of what can be accomplished by the application of Aluminum to mass-in-motion, to all things that move.

The darting shuttle on the loom is mass-in-motion. So is the trundling wheelbarrow, the lumbering truck, the streamline train, and the air-plane in soaring flight. So also is every moving part of a machine, every object that moves or that must be moved.

In *this* case, Alcoa Aluminum applied to a relatively small part of the mass-in-motion has a major effect upon the efficiency of the entire machine.

To explain clearly, we must over-simplify. The driving rods surge back and forth, at top speed, over 300 times per minute. The terrific pendulum-effect of this motion is offset as much as possible by adding counterbalances on each wheel. But, no matter how scientifically these weights are calculated nor how carefully they are placed, perfect balance is never attainable at all speeds. In actuality, each wheel runs out of balance.

The effect is just what you would get if you

were to attach a weight to one spot on the rim of each wheel of your automobile. On every revolution you would feel a hammer downward on the road, and a racking, lifting reaction upward. Also, your car would tend to wander or "shimmy."

That is exactly what happens in the locomotive. The hammering may reach such magnitude as to cause serious stresses in the rail itself. And the wandering-force, which the engineer calls "nosing," may even derail the locomotive. Both rail-hammer and nosing very definitely limit the speed at which the locomotive can be operated. Thus does the tail wag the dog!

The use of Aluminum reduces the weight of the rods by half. The counterbalance and the unbalance are similarly reduced. Better, faster, safer performance is the result.

All moving things are more soundly designed in Alcoa Aluminum. When they weigh less, they require less power to start, to keep moving, to stop.

Less weight — less power — less cost! That is the money-saving formula that is being fulfilled every day in a thousand spots by Alcoa Aluminum. If you will think in those terms about using Alcoa Aluminum in your business, you will invite us today to help you make it your economical servant.

ALUMINUM COMPANY OF AMERICA · 1825 GULF BUILDING · PITTSBURGH



ALUMINUM

In 1839 DAGUERRE'S carelessness gave the world photography

To the studied research of the French chemist, Louis Mandé Daguerre, printing owes much . . . to his absent-mindedness it owes infinitely more! For until Daguerre grew negligent, there was no photography as we understand it today. There was only a tedious and impractical art called "Camera Printing" in which photographic plates had to be exposed for eight hours to secure a picture.

Then one day Daguerre happened to store a plate, which he believed spoiled by under-exposure, in a closet where he had carelessly left an uncovered saucer of mercury. Vaporized by the heat of the room, the mercury became a reagent. It clarified the image on the discarded plate and developed the world's first, true photograph, the Daguerreotype.

To printing, Daguerre's discovery was of first importance. For it not only made possible realistic illustration, but it gave new clues to the search for methods by

which the cost of fine printing could be reduced. This search has reached its latest development in Kleerfect, The Perfect Printing Paper.

For Kleerfect offers in unusually generous proportions the five qualities so long sought in printing papers. First of all, in making Kleerfect, special processing eliminates two-sidedness of surface and color for all practical purposes and makes possible printing of uniformly high quality on both sides. Kleerfect has strength and high opacity. It possesses a neutral color that gives proper contrast with the greatest number of printing inks and types of illustration . . . a non-glaring color that is easy on the eyes and permits the maximum true reproductive power of one to four colors.

To see samples of the work this perfect paper makes possible—to learn the economy of its cost and the name of the merchant nearest you who stocks Kleerfect, please write our advertising office in Chicago.



Kleerfect
REG. U. S. PAT. OFF.
 THE PERFECT PRINTING PAPER
MANUFACTURED UNDER U. S. PAT. NO. 171022

KIMBERLY-CLARK CORPORATION
ESTABLISHED 1872
 NEENAH, WISCONSIN
 CHICAGO, 8 South Michigan Avenue • NEW YORK, 122 East 42nd Street
 LOS ANGELES, 510 West Sixth Street

No Business Can Escape Change

There's but one certainty for business in these times. That is the certainty of change

Rafters, studs, joists are eliminated in a recently developed interlocking, self-framing system of steel construction. Farm and other structures of this type are said to be easily, quickly assembled, readily taken apart and moved. . . .

A new, simple automatic lock nut has a locking pin built integrally with it, requires no lock washers or cotter pins. It is put on, taken off the same as an ordinary nut, can be used repeatedly, fits any standard thread. . . .

A new electric stove has an oven built on the same principle as and opening like a filing-cabinet drawer. A slight pull opens the oven and contents can be viewed without stooping. . . .

Another new piece of kitchen equipment provides an electric washing machine with automatic timer, a damp dryer, ironer, clothes hamper, work table, food mixer, extra electric outlet and wiring for radio, all in one compact cabinet. . . .

Any radio can be converted into a radio-phonograph with a new adaptor, consisting of an electric turntable and pick-up. Housed in a compact chest, it is linked to the radio by two wires, can be operated at a distance from it. . . .

A new motor-driven ice cream freezer operates in the ice-cube compartment of the automatic refrigerator, shuts itself off when freezing's finished. It's connected to an outside electrical outlet by a thin flat cord passing under the door. . . .

A new device fits atop a coffee cup, makes a single cup of drip coffee in a few seconds with the aid of boiling water. . . .

A newly developed seal for jam and jelly glasses is moistened, smoothed down over the glass top and a rubber band snapped around its edges. It then shrinks, gripping the glass. . . .

A handy new dish cloth has a small scraper fixed to one corner which offers a toothed edge for loosening food from dishes, smooth and curved edges for scraping clean. . . .

A new floor lamp has a night light contained in its base, concealed and softened by an enclosing cylinder of translucent material and an overlay of perforated metal ornament. . . .

Styled in the modern manner, a new line of electric clocks displays simple forms, gleaming surfaces, sweeping lines. Numerals are absent from the faces, dots serving instead. . . .

Telephone mouthpieces are said to be kept clean, sanitary by a few swabs with the wick of a handy new device. It contains an antiseptic said to be harmful only to germs. . . .

Zipper-closed and looking much like an over-size brief case, a new flat-folding bag provides a compact means of carrying dresses or suits on hangers, together with a few incidentals. . . .

Use of fine graphite as a household, industrial lubricant is facilitated by a new rubber "oil can." When it's squeezed, measured amounts of graphite are deposited by air pressure. . . .

"Dry-pipe" sprinkler systems (in which compressed air holds back water in the city mains) are protected against air-leakage and consequent danger of freezing by a new device which gives warning when air pressure gets too low. . . .

A new hand grease gun for service stations is instantly filled by placing the open end of the barrel in the grease supply, applying the air-hose chuck to a valve on the handle. . . .

The station's air-hose chuck is also used to give charges of compressed air to a new self-contained spray can for windshield-cleaning liquids, oil, cold-water paint, etc. . . .



Housed in a compact metal cabinet, a new kitchen unit combines sink basin, work top and electric dishwasher, the latter opening at the front through a water-tight, oven-type door and containing a sliding dish rack

A convenient new tire gauge resembles a pencil, even to the pocket clip. Chromium finished, it is calibrated from ten to 50 pounds. . . .

A new floor maintenance system dry-cleans and finishes wood floors subject to heavy traffic. It's said to clean and finish the dirtiest floors without soap, water or sanding. . . .

Patterned hardwood floors, usually laid in mastic, can now be had in square, tongued-and-grooved units (ready-finished, if desired) which are blind-nailed to wood sub-floors. . . .

Sawmills and woodworking plants are offered a new machine which forms sawdust and shavings waste into "logs" suitable for burning in fire places, furnaces, etc. . . .

A new all-steel dog kennel robs the old saw about a dog's life of some of its meaning. The kennel has an insulated roof, a swinging door which the lucky dog operates himself. . . .

A recently developed, automatic device for show windows, animated displays, etc., mechanically controls one to 20 electrical circuits, provides phonographic voice and sound effects synchronized with the lights and movements which the circuits actuate. . . .

A recently developed liquid hand soap is said to dissolve and make water-soluble lacquer, paint, varnish, enamel and grease, to leave the hands soft and smooth. . . .

Cigar makers are offered a new inch-long paper tube insert which, pushed flush into the head of a cigar, is said to make the cigar draw as freely and easily as a cigarette. . . .

A new automatic liquor jigger corks into the bottle, is filled by tipping the bottle until rim of the jigger is horizontal. Flow stops when the cup's full, with never a drop spilled. . . .

—PAUL H. HAYWARD

EDITOR'S NOTE—This material is gathered from the many sources to which NATION'S BUSINESS has access and from the flow of business news into our offices in Washington. Further information on any of these items can be had by writing us.

Quiet pays

NOISE is waste

PAINTABLE PERMANENT
ACOUSTI-CELOTEX
TRADE MARK REGISTRATION U. S. PATENT OFFICE

Absorbs Distracting Sound

Acousti-Celotex sound absorbing tiles applied to ceilings transforms working conditions—

from distraction and nerve tension, to normal quiet that permits calm, unstrained concentration.

Acousti-Celotex creates quiet because it absorbs sound and reduces noise to a remarkable degree and continues to do so as long as the building endures.

Installations are quickly and easily made by the Acousti-Celotex contracting engineer in your city without disturbing business routine. Prices are lower now and if a large area is to be covered, requiring only moderate acoustical efficiency, the selection of the new half-inch Type A will effect additional economy.

Points to Check

The selection of the right sound absorbing material is important. It should be remembered that ceilings are cleaned and also painted from time to time. Will painting affect the acoustic absorptivity and reduce the material to a mere wall covering?

Paintable

You may paint Acousti-Celotex as often as need be without in the least diminishing its absorptivity. Patented perforations (441 to the square foot) provide access for sound waves into the inner absorbent material. It is paintable, therefore is permanent.

Low Upkeep

There is also economy in upkeep. Acousti-Celotex is easily cleaned with a brush or a vacuum cleaner and when painted with a washable paint may be cleaned by washing.

Attractive Appearance

Acousti-Celotex tiles come in modern units of a neutral buff color and are readily arranged in a variety of attractive patterns.

Consult the Acousti-Celotex contracting engineer in your city, or write direct for any information desired.

THE CELOTEX COMPANY
919 No. Michigan Ave. Chicago, Illinois

PAINTABLE PERMANENT
ACOUSTI-CELOTEX
TRADE MARK REGISTRATION U. S. PATENT OFFICE

We Must Continue Crop Control

(Continued from page 24)

farmers present no hardship to the nation's consumers. But a bankrupt farmer who cannot buy shoes or paint and countless other necessities and services, who cannot pay his taxes, the interest on his debt, is contributing little to the lifeblood of business and industry—a market and purchasing power.

Six million farmers, with their families, depend upon agriculture for their income. Although farm income has advanced in the past year and will advance further in the coming year, the farmer has yet to make the contribution he is capable of making to the nation in the rôle of a customer. He cannot assume this rôle until there are fair prices for a fair volume of production.

There is genuine suffering in the background of the statement that farm prices will show an increase this year. It lies in the fact that, for many farmers, despite improved prices, the year is one of little or no income.

The income of thousands of farmers in the drought-stricken states this year consists entirely, or almost entirely, of the benefit payments made to them in return for their agreement to curb production. The payments served as crop insurance. But there are thousands, too, who must depend upon relief money.

Benefits help business

THE anarchy of excessive production is not in the interest of business recovery. But the system of benefit payments which makes the cooperative adjustment programs of the farmers possible is in the interest of business because it makes the farmer a better consumer. And in turn, it is in the interest of farmers to see industrial production stepped up and reemployment increased. Factory pay rolls and farm income maintain a close relationship.

When farm income drops, the farmer quickly ceases to be a buyer. But, given an income which will permit him some of the pleasures of a consumer of industrial products, the farmer is ready to make up the deficit in purchases which has marked these recent years of rural America. The farmer is a potential customer for more than a billion dollars in housing alone. His machinery needs replacements. He would like to become a consumer of electricity and where he has already the benefits of rural electrification he would like to ob-

tain more appliances. He needs clothing and his family needs about everything wanted by persons who have lived several years in or on the border of actual want.

There may be some businesses without farmers as customers who believe that their fortunes have no relationship to farmers, to farm prices and income. The man operating a motion picture theater in a Detroit suburb may wonder what value there may be to him in the cotton adjustment program in Arkansas. A table on page 9 of "Automobile Facts and Figures," issued by the National Automobile Chamber of Commerce, might give him the answer.

Cotton and automobiles

THIS shows that in Arkansas where improvement in agriculture has been marked as a result of the programs, not only of cotton, but also in the case of corn and hogs, automobile registration increased 37.82 per cent from 1932 to 1933. There is no intention of claiming that this registration was entirely or even largely the result of the adjustment program, but there is significance in the fact that four other southern states, Georgia, Oklahoma, Mississippi and Tennessee, where the adjustment programs have also been of great importance, are next in line after Arkansas in the percentage change in registrations during the same period. The new automobiles bought in the South as a result of the improvement of the cotton farmer's income surely made it possible for wheels in automobile factories in Detroit to whirl when they might have been idle. And the turning of these wheels made it possible for men to work who might have been in the breadlines. And when these men worked they could afford to take their families to the suburban theater near their home.

Almost every business man I meet tells me a story of some new experience showing what the improvement so far in farm income has done. Old debts are being paid. Stocks of goods are beginning to move. There is money in circulation in rural areas where retail sales fell 60 per cent from 1929 to 1932.

But let us not forget those areas where the drought struck, whose unfortunate farmers are reaping no benefit from improved prices and whose acres are waiting only for seed, rain and summer to make them bloom again. A drought next summer is unlikely. But without effective

LOOK OUT FOR TIRE DELAYS!

(I DON'T WANT TO HEAR ABOUT
ANY MORE DELAYED DELIVERIES!
GET TRUCK TIRES THAT
STAND UP !!)



AVOID SIDEWALL "FAILURE ZONE" TROUBLES WITH NEW TRIPLE PROTECTED TRUCK TIRES

An important delivery going through. BANG! A tire fails! Broken through the sidewall. Precious minutes pass. Maybe hours. A customer is lost.

The sidewall "Failure Zone" grabs money from the pockets of truck owners every day—every hour. You may be next.

Why not prevent these costly delays before they happen? Goodrich engineers concentrated all their skill on this one problem. They know the sidewall has been the weakest spot in truck tires. They know that 80% of premature truck tire failures occur in the "Failure Zone." They were determined to make a tire with a sidewall just as strong and rugged as the tread. And they did!

Now you can get Triple Protection

in truck tires. Positive protection against these unnecessary failures!

That's not all! The new Goodrich Silvertown has a safety tread that guards against skidding and a long-wearing carcass with months of extra service.

HOW TO CUT TIRE COSTS

New Triple Protected Silvertowns are built to wear out—not blow out. They help reduce delays, cut repair bills and provide the lowest net cost per mile. Yet you pay not one red cent extra for these new tires. Start saving now. See your Goodrich truck tire dealer today.

FREE! Valuable Book—A copy of the Silvertown Safety Manual for Truck Operators is yours for the asking. How to cut accidents. How to win free Safety Awards. Save money. Write Department T-141, The B. F. Goodrich Company, Akron, Ohio.

THIS
GOODRICH
INVENTION
PREVENTS
BIG CAUSE
OF SIDEWALL
BREAKS



- 1 PLYFLEX**—a new, tough, sturdy rubber material with greater resistance to stretch. A layer of Plyflex in the sidewall distributes stresses and strains—prevents ply separation—checks local weakness.
- 2 PLYLOCK**—the new Goodrich way of locking the plies about the bead. Anchoring them in place. Positive protection against the short plies tearing loose above the bead.
- 3 100% FULL-FLOATING CORD**—Each cord is surrounded by rubber. With ordinary cross-woven fabric, when the cords touch each other, they rub—get hot—break. In Silvertowns, there are no cross cords. No friction.

Goodrich *Triple Protected* **Silvertowns**
FOR TRUCKS AND BUSES



— the expert wrecker of business!

Forty-three per cent of the business houses and industrial plants leveled in its cinder trail NEVER RESUME OPERATIONS!

A. D. T. Systems are the most modern and effective safeguards against the ravages of fire—they detect, *automatically*, the first breath of flame—in sprinklered or unsprinklered buildings—and flash an immediate, accurate alarm to the fire department.

A. D. T. Systems are as sleepless electric fingers on the vital parts of protective systems and as super-watchmen standing constant, unfailing guard over every inch of your premises.

A. D. T. Protection Services outwatch the most dependable watchmen—and often make it possible to rearrange existing protection measures so that important economies are effected.

Regardless of insurance, automatic sprinklers, watchmen or type of building—you need A. D. T. Services to make your property and your business SAFE. Illustrated literature on request.

See our Exhibit at A CENTURY OF PROGRESS, Chicago (Electrical Building)

CONTROLLED COMPANIES OF

AMERICAN DISTRICT TELEGRAPH COMPANY, 155 SIXTH AVE., NEW YORK, N. Y.

» «

- A. D. T. INSTANTLY DETECTS AND REPORTS FIRES IN SPRINKLERED AND UNSPRINKLERED BUILDINGS... KEEPS YOUR SPRINKLER SYSTEM OPERATIVE... PROTECTS AGAINST UNLAWFUL ENTRY... SUPERVISES AND ASSISTS WATCHMEN

ADT Protection
against
FIRE • BURGLARY • HOLDUP
A NATION-WIDE SERVICE

means for maintaining balance between production and need through voluntary, cooperative action, surpluses may grow with the wheat, the cotton and the corn. And the attendant fall in prices would be more than disaster for the individual. It would be disaster for the community, for the region and for the nation. There is only one answer: we cannot risk that.

The road ahead for agriculture, like the road ahead for industry, lies in an improved American standard of living. Better and more stable farm prices arising with increased stability of production will pave the way to increased consumption of industrial goods by the farmer and increased consumption of foods and fiber by all of us.

I mentioned that the farmer is a potential consumer of more than a billion dollars in housing. That figure is based on an estimate of the deficit in farm housing without an appreciable advance in standards of housing. Given the economic opportunity to achieve higher housing standards, the farmer is a potential consumer of some \$4,000,000,000 worth of materials, equipment and services associated with construction.

There are some who feel that the farm program has led to the loss of liberty by farmers, to the rise of regimentation and to the creation of bureaucracy. Those are all terms which have come to be used very loosely. We all want "liberty," abhor regimentation and "bureaucracy" without knowing just what specific qualities we are attaching to these words.

Asking advice of the farmers

THE Department of Agriculture need offer no apologies. It has sought to follow democratic processes throughout its adjustment efforts. It has gone to the farmers for opinions, suggestions and advice. The majority of farmers have responded with a demonstration of cooperation which is one of the most reassuring signs of the times.

County control associations have been set up to administer the commodity programs. Farmers themselves select the officers of these organizations which are bound to become more potent forces, not only in administration but in the formulation of policies and programs, now that the first pressing need for adjustment is over. With the large physical surpluses which were on hand when the Adjustment Act became law, the course of action was to a large extent limited.

Starting with the referendum

In the Massachusetts Institute of Technology electrical engineering department, four years were devoted to the perfection of this new and startling advancement for business management. It is the fusion of two proven methods . . . the dial telephone control principle and punched card accounting. Its operation in actual business for two years has demonstrated it practical and efficient.



Accounting by Remote Control records a transaction in the central office as it happens several floors or a hundred miles away. It eliminates duplication in accounting because the recording of a transaction at the scene of action is automatically recording it in the central office. It eliminates time . . . the sending and receiving of recorded figures are simultaneous. There is no chance for differences between the records of remote stations and the central office.

The recording and transmitting is performed by the equipment of the AUTOMATIC ELECTRIC COMPANY whose time-tested method of control of the automatic (dial) telephone has proven so successful. The automatic receiving in the central office and subsequent accounting and control is the function of Powers Punched Card Accounting . . . the fusion of the two is known as "Central Records".

Through the use of Central Records more accurate, more detailed and quicker control is had of stocks, work in process, credits, and all other vital factors. Capital investment may be reduced to a minimum, because management knows what is happening everywhere. Let us tell you how Central Records applies to your business. Request us to send you literature.

In addition to "Central Records", a system of Remote Control of production known as "Temporator", has been added to the Powers Method of Punched Card Accounting.

P O W E R S 
ACCOUNTING MACHINES
 Division of
Remington Rand Inc.
 BUFFALO, NEW YORK

A WATCHMAN CAN'T BE TWO PLACES AT ONCE



—but a Cyclone Fence can adequately protect *all* of your property at the same time. You can't distract its attention—you can't catch it off guard and it works twelve hours a day and twelve hours a night every day in the year with no vacation in a lifetime.

There is a Cyclone Chain Link Fence for every use, a fence especially adapted to your need and there is a Cyclone Fence expert ready to study your protection problems without obligation to you.

With all the good, bad, and indifferent ways there are of protecting property lines, be sure you get all the facts before you buy a fence. For full information write, 'phone or wire Dept. N. B.

Cyclone Fence

Cyclone Fence Company

General Offices: Waukegan, Illinois

SUBSIDIARY OF UNITED STATES STEEL CORPORATION

BRANCHES IN PRINCIPAL CITIES

Pacific Coast Division:

Standard Fence Company
Oakland, Cal.

*Cyclone—not a "type" of fence,
but fence made exclusively by
Cyclone Fence Company and
identified by this trade-mark.*



among corn and hog producers, periodic referenda will be conducted. Farmers will make many of the major decisions before programs are formulated. Later, when contracts are ready for signatures, they will in effect be acting in another referendum because they are not compelled to sign them. The voluntary, democratic features of adjustment will receive increasing emphasis.

Farmers choose cooperation

GIVEN the facts of supply, of prospective demand, and the machinery for cooperation, farmers will, I am confident, act wisely. Should they make a mistake one year it is possible under this democratic process to correct it the next.

And until we have a great improvement in our markets for farm commodities beyond the seas, until tariffs and other barriers are readjusted, we will have a situation which the farmer is capable of understanding but powerless to meet unless adequate machinery for cooperating is available.

Agriculture has come to a stage of development akin to the traffic problem a few years back. There was growing disorder at the intersections, and stop and go lights were needed and installed.

There was some complaint that fundamental liberties were being violated but motorists quickly saw the common-sense in the "regimentation" of traffic signals.

The municipal bureaucracies fumbled the subject of traffic regulations frequently and it still is far from a perfected science but traffic lights have come to stay until something better is produced by American ingenuity.

Meanwhile we are safer, our liberties haven't been substantially curtailed, if we count it curtailment at all. But while we realize the system is not perfect, we know that it has brought some degree of order.

Gradually as we move toward a better balance in agriculture the restraints will be removed. Processing taxes can be reduced and eliminated and we can bend our energies toward some of the significant adjustments long needed and which will be long in coming.

A better use of land

ONE of these involves the principle of better land utilization. Large areas of land need treatment against erosion which is costing more than \$400,000,000 each year in the loss of soil.

Other areas are devoted to grain and other crops but are more suitable

to grazing, forestry, or other less intensive agriculture, and some actually are incapable of supporting a family in decent comfort, despite the patient application of effort even in years of fair farm prices.

These lands, submarginal for cropping purposes, should be converted to use as forests, parks, grazing grounds and recreational areas. Opportunities can be given those living on lands of this character to move, if they wish, to lands where in reward for their efforts they will be able to earn a better living.

Substantial savings will be realized through carefully planned efforts in this direction because federal, state and local governments are now spending money for roads, schools and other public purposes in limited areas which cannot support population without outside subsidy. There are areas which provide a social problem closely resembling the problems of the slums. We have rural slums which it would be in the public interest to remove.

A new pattern of life

LAND and homes on land should be made available to industrial workers where it is feasible. The development of a pattern of life which is neither rural or urban but a combination of the two will be associated with the movement toward decentralization of industry which seems certain to develop in coming years. We should prepare for this movement which will bind the interests of agriculture and industry even closer together than today.

This lies in the future and depends upon our ability to meet the problems of the present.

And on the farm front I believe, with the sympathetic cooperation of industry, we shall be able to solve the immediate problems and achieve more nearly the ideal of "balanced harvests" to replace the chaos of the past.

There is evidence of the farmer's willingness to do his part. More than three million of them signed contracts with the Adjustment Administration in the past 18 months. More than one million others are working cooperatively under marketing agreements and licenses. They have laid the foundation for a day when they need not look forward with a desperate fear to the tragedy of drought, of ruthless competition among themselves, to empty purses and piles of unsold produce.

And the business man will be able to look at them knowing that they are stable customers who have left jungle economics for a system with better order.

A Definition Of Business

WHEN "two important men" wrote the President pleading that he say something to restore confidence he asked what they would have him say. One of his correspondents put to his own recommendation proposed the abolition of all government supervision of business, a proposal which was viewed as meaning a return to the "old law of the tooth and fang." To explain his agreement with one of the "two important men" Lamot DuPont wrote a letter to the editor of the *Wilmington Evening Journal*. Said Mr. DuPont:

It would seem logical to conclude that the President must have been referring to the days before the enactment of the Sherman Law. Those must have been the days of the "law of the tooth and the claw." But it is interesting to note in passing that those days of the '80's and the early '90's were the ones when the laboring classes of Europe were migrating to the United States in the greatest numbers. I always thought they came over to get the freedom and advantages of this country. Apparently, they came over because they liked the "tooth and claw" business. The reader will probably conclude that the writer agrees with one of the "two important men" that all supervision of business by Government should be abolished. Frankly, I do. But now wait; don't blow up at once. Let me explain.

Business as an individual

I MEAN that all government regulation of business, as such, and as distinguished from any other forms of activity, should be abolished. I mean that business should not be prohibited by Government, or compelled by Government to do things which private individuals are not prohibited or compelled to do. If I have a hole in my back yard, as some residents of western Pennsylvania do, and employ a man to dig coal out of it for my own use, I see no reason why I should be allowed to treat him any better or any worse, or pay him any better or any less, than a coal company, employing 10,000 men to do the same thing.

Business is merely an aggregation of individuals to do something which a single individual can do, but far less efficiently and successfully. Business should be treated as an individual is treated—no better, no worse.

The political winds blow the word that business must be reassured. But few, from top to bottom, stop to think just what is "business" anyway. It is the *machinery* for supplying wants. It cannot start of and by itself. It is not self-generating. It can only start when an individual puts a coin in the slot. The way to increased business activity is to reassure that single individual. Test each proposed recovery plan by that formula.

DICTATING MACHINES HAVE CHANGED!

See Edison's Revolutionary New PRO-TECHNIC EDIPHONE



12 PROVED ADVANTAGES . . . A GUARANTEE of 20% to 50% INCREASED BUSINESS CAPACITY

EDISON has produced a thoroughly new, fully enclosed instrument, the PRO-TECHNIC EDIPHONE. Its "Balanced" Voice Writing makes dictation easier and faster. It guarantees full-time secretarial service, without old-fashioned "dictation periods". The Pro-technic Ediphone provides a Voice Writing service that allows dictators to dictate at any time without waiting—easier than telephoning. Dictators have more time for planning, for outside calls. Secretaries become more valuable.

Free demonstration at your desk!

To prove that dictating machines have changed, every responsible executive is invited to "sample" Ediphone Voice Writing—without obligation.

Without Cost to You— Edison Will Train Your Office

Telephone The Ediphone, Your City, or mail the coupon to Thomas A. Edison, Inc., Orange, N. J. and an Ediphone representative will explain each of the 12 Pro-technic advantages to you. He will introduce this NEW Voice Writing in your office, taking full responsibility for smooth and efficient service until Voice Writing becomes as much a part of your office routine as telephoning.

YOU BUY NOTHING until Edison proves it can increase your dictators' business capacity and your secretaries' capacity to assist.

FOR FREE-PROOF OF EVERY EDISON CLAIM MAIL COUPON!

Thomas A. Edison
INCORPORATED
ORANGE, N. J. U. S. A.



I want to know if Edison will guarantee to increase our business capacity 20% to 50%.

FIRM NAME _____ N
MY NAME _____ TITLE _____
ADDRESS _____



26,000 miles of luxurious cruising on a world-famous ship, visiting 21 fascinating ports... in 14 different countries... 104 never-to-be-forgotten days on a Round the World President Liner... for as little as \$833.50 First Class.

And here is the best part of all. You may stopover if you like, and as you like, in any or all of the countries of call. (Your ticket allows you two full years.) Visit ashore or make

**ROUND
THE
WORLD**

\$833.50
FIRST CLASS



Ancient Egypt's secrets are open to view

sidetrips... then continue on the next or a later of these liners that sail every week from New York and the Pacific Coast via Hawaii and the Sunshine Route (and from Seattle via the Short Route) to the Orient—thence, fortnightly, on thru the Suez, Round the World.

Your own railroad or travel agent, or any of our offices (New York, Chicago, Seattle, San Francisco, Los Angeles and other principal cities) will give you all details about this and other, shorter President Liner cruises... and about the splendid service and appointments of these celebrated ships that let you cruise as you choose... throughout the Seven Seas.

DOLLAR
Steamship Lines and
AMERICAN
Mail Line

Sound Unemployment Protection

(Continued from page 18)

tributions argue that employees must participate in order to assure reasonable adequacy of the fund.

But to a great extent, at least, adequacy can be obtained by setting up a system of individual employee reserves, under which each employee would have his own reserve which would supplement the benefits which he would be entitled to receive from his employer's fund.

In the midst of this great social swing, let us preserve as much as possible of individuality; and, accordingly, refrain from supporting a system of employee contributions

ed only that these variants satisfy sufficient criteria of equal beneficiality.

Accordingly, any advantages which we may now find in favor of permitting individual variants from the standard system will constitute additional reasons in favor of the American plan of unemployment reserves.

The advantages to the employer are self-evident. The freedom to choose and adopt an unemployment benefit plan of his own will not only free him from hampering restrictions in the conduct of his own business but may also eliminate

EARLY enactment of a compulsory unemployment insurance law for New York State was predicted by Governor Lehman addressing the convention of the State Federation of Labor. He said:

It is a source of real regret to me that no legislation for the establishment of unemployment insurance was enacted by the legislature last year or this year.

There can be no doubt, however, that the day is not very distant when the passage of such legislation will come.

which does not recognize individual saving and, therefore, is merely a form of collectivism.

Experience teaches that employees will participate voluntarily in setting up individual reserves or savings; but, in any event, if compulsion is necessary, it should be directed toward individual savings in the form of individual reserves rather than collective savings in the form of contributions to a pooled fund.

Shall employers who establish adequate individual systems be exempted from the state system?

This question is somewhat tied up with the vital question of pooling or segregation of funds, for it is obvious that a state which sets up the European pooled-fund system could not consistently permit certain employers to withdraw and establish their own independent systems. But a state which sets up the American system of individual employer reserves could have no possible objection to permitting individual variants from the standard plan, provid-

unnecessary governmental control.

From the viewpoint of the employees, there will be the advantage that any plan particularly adapted to the specific needs of the industry, in which they are employed, is more likely to be beneficial to them. Furthermore, now that the NRA has made employee-representation the rule rather than the exception, any legislation which prescribed, in straight-jacket terms, the details of the employer-employee relationship would be just as hampering to the employee group as to the employer. What good is the bargaining power granted by the NRA if another law promptly takes away this bargaining power with respect to unemployment benefits?

And there are advantages from the viewpoint of the public as a whole. No one legislator or economist, or group of legislators and economists, is wise enough to devise an ideal unemployment benefit system, perhaps not even a system that will be passably workable. Only experimentation

—years of it—can produce the best.

Hence, the chief advantage of permitting individual systems is that only by permitting such flexibility will wholesale experimentation be possible.

But care should be taken to insure that this experimentation is carried on under adequate safeguards, lest the permission to experiment degenerate into a license to dodge fair and equal responsibility.

Wisconsin's law—the only one yet on the statute books—provides that the Industrial Commission shall exempt from the compulsory state system

any employer or group of employers submitting a plan for unemployment benefits which the Commission finds: (a) makes eligible for benefits under the compulsory features of this act; (b) provides that the proportion of the benefits to be financed by the employer or employers will *on the whole* be equal to or greater than the benefits which would be provided under the compulsory features of this act; and (c) is *on the whole* as beneficial in all other respects to such employees as the compulsory plan provided in this act.

Note the broad equivalency introduced by the repeated use of the words "on the whole."

Furthermore, consistent with the underlying theory that "employment assurance is better than unemployment insurance," the Wisconsin law also permits the exemption of individual plans which guarantee employment for 42 weeks a year at two-thirds normal hours, rather than to provide for the payment of benefits for unemployment.

Thus it is seen that an unemployment benefit law which permits the adoption of special plans by individual employers under adequate criteria is certain to be as beneficial as a law which does not, and in addition will provide a system which will have the following characteristics:

1. Flexibility to meet the individual needs of each industry;
2. Freedom from restrictions which would hamper the fullest cooperation between employees and employers;
3. Requirement for only the minimum of bureaucratic supervision; and
4. Adaptability for social experimentation along constructive lines.

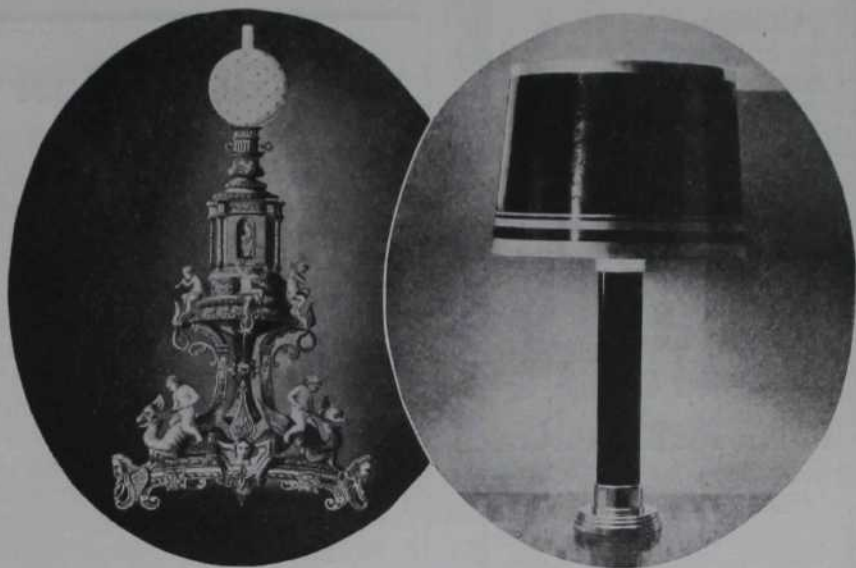
Accordingly, there appear to be overwhelming advantages from the standpoint of employee, employer, and the State, in the American plan of unemployment reserves with segregated individual employer funds, contributions by employers alone, and flexibility in the adoption of individual plan.

Unfortunately, however, a small but well organized group is working strenuously to promote legislation in the various states along the lines of the European system. Consequent-

1852  1934

Then-Ornament and Gold Leaf

NOW-BAKELITE AND CHROMIUM



IN IDEAS, in styles, and in materials, the revolutionary changes which have taken place within the life span of many now living, is graphically illustrated by these two lamps. Compare the elaborate fussiness of the metal oil burning lamp of 1852 with the simple, graceful form of the Bakelite Laminated and chromium electric lamp of 1934.

Among the many new materials which have been developed to meet modern ideas and modern methods, none has had a wider acceptance or a greater range of usefulness than those known as Bakelite Materials. The scope of their utility ranges from such simple, practical articles as coat buttons to the rich furniture of the Radio City Music Hall.

Included in the plastic forms of Bakelite are molding materials of different types, and transparent materi-

als in numerous brilliant colors. Some others are: Laminated products in sheet, tube, and rod form; varnishes, lacquers, and enamels of the baking type; abrasive wheel bonding resins; synthetic resins for air drying paints and varnishes; coating resins for moisture-proofing fabrics, and denture resins.

Within this varied line are Bakelite Materials of real interest and value to manufacturers of practically all classes of products. You may obtain some idea of their possibilities for your own products by writing for copies of our illustrated booklets 1 M, "Bakelite Molded" and 1 L, "Bakelite Laminated", which we will mail promptly upon receipt of request.

Illustration shows Moderator Lamp of 1852, designed by M. Villoz (Courtesy of N. Y. Public Library) and modern lamp of Bakelite Laminated and chromium, designed by Donald Deskey.

BAKELITE CORPORATION, 247 Park Ave., New York . . . 43 East Ohio St., Chicago
BAKELITE CORPORATION OF CANADA, LTD., 163 Dufferin Street, Toronto

BAKELITE

The registered trade marks shown above distinguish material manufactured by Bakelite Corporation. Under the capital "B" is the



numerical sign for identity, or unlimited quantity. It symbolizes the infinite number of present and future uses of Bakelite Corporation's products.

THE MATERIAL OF A THOUSAND USES



Air Express Rates Again Reduced

**NOW! Minimum
Rate reduced to 85c**

1 lb. package \$1.00

**between any two
airport cities in
the U. S. A.**

**Also General Downward
Revision of all rates be-
tween all points**

Phone

**Air Express Division of
RAILWAY EXPRESS AGENCY**

for free pick ups, rates and information
or any Western Union office

One express receipt covers Nation-
wide Air, Air-Rail Service. Ship
prepaid, collect, or C.O.D.

LOWERED CLEANING COSTS mean more profits

● Time, labor and depreciation on furnishings and equipment are saved with Invincible Portable Vacuum Cleaners.

This is the experience of stores, hotels, theatres, office buildings, schools, churches and factories.

There is an Invincible model to meet your need. Tell us your cleaning problem. We can solve it for you.



**INVINCIBLE
PORTABLE VACUUM
CLEANERS**

INVINCIBLE VACUUM CLEANER MFG. CO.
DOVER, OHIO

ly, unless there is a concerted counter-movement to support legislation based upon the American plan of unemployment compensation, employers may suddenly be saddled with the English dole system.

The President of the United States has recently announced his intention to ask Congress at its next session to enact laws providing for unemployment compensation. It may, therefore, be confidently expected that Congress will enact such laws.

Needless Worry About the Grocer

(Continued from page 32)

short-weighting, meretricious claims. Such tricks have often succeeded, after their fashion, because against these kinds of deception the consumer is helpless.

But when it comes to comparative, competitive pricings and the attempts to foist deceptive "values" on the public in grocery stores, experience shows that "the public" reasons shrewdly. Such fooling was profitable when it was sporadic. But even then the people got theirs, though in those days grocers sold enough other things along with "loss leaders" to produce profit on the whole volume.

Universalizing has turned the scheme into a boomerang of late among all grocers, including chains. The high-character family grocer has not been affected because he never used the scheme to any extent. But the true basis of the "little fellows'" present complaint is that "the public" has fooled the grocers increasingly in recent years.

About half our housewives are no one grocer's customers. They are impartial bargain hunters. They coldly scan all "special offerings" and go from store to store buying in each whatever is sold "for less." They thus so nearly fulfill all wants that what little remains for purchase at regular prices does not result in compensating profits.

I accept the statement in Paragraph 4 concerning grocer mortality as correct in the light of 57 years' grocery experience—but it certainly is not peculiar to the last four years. Revised figures of the Census of Distribution show 481,891 grocers in the country in 1930, so that a business mortality of 400,000 grocers in four years, or 100,000 annually, figures down to less than 21 per cent—a ratio not abnormal in our present set-up. For comparison we may take figures from a grocery survey in Louisville, Ky., showing that in the years 1891-'99, with a negligible competition from chain stores, 23 per cent of individual grocery stores went out

Hence it is imperative that employers give immediate thought to the problem and determine for themselves whether they agree with the recommendations made here.

If they believe that the American plan is the most constructive, they should promptly, through their various trade organizations, join with labor in supporting legislation for the establishment of the American system of Unemployment Reserves and Compensation.

of business each year. With 481,891 grocers to serve our 122,775,046 population, we had an average of one grocery for each 255 persons. Since experience and previous studies seem to establish three groceries to the thousand population as the saturation point, further business mortalities among grocers were as clearly indicated in 1930 as at any other time in our trade history.

The failure ratio varies locally. Los Angeles, a city of abundant statistics, has had grocer mortality of about 30 per cent annually for years; but, peculiarly, that is also the locality of exceptional grocery success in all types of stores—individual, cooperative and chain.

Trials by the inexperienced

NEITHER is the mortality ratio specially related to chain-store growth. It is due to the universally prevalent notion that anybody can run a grocery store. Knowledge, training, personal aptitude, acquired skill, regarded as necessary to success in other fields, are not considered essential here. The grocer is expected to plunge in and swim without training. Why wonder he mostly sinks? Why seek other cause for his common disaster?

More: Regardless of General Johnson's efforts; notwithstanding the "bitter complaint," despite NRA, AAA or other similar "plan," such results must continue so long as the notion obtains that the grocery business requires no special knowledge or ability. One major consequence of that false notion is that, always and everywhere, approximately one quarter of the grocers do three-quarters of the business and only a small percentage of the entrants become permanent members of the trade.

And yet again: Absolute disaster must attend any successful effort to sustain all entrants—disaster precisely commensurate with the success of the effort. Trade stability must always hinge on concurrent elimina-

tion of misfits who do not belong. And because most entrants are "little fellows," failure inevitably centers mainly on them.

Preventing the unprepared from starting business might help, but that might prove a quack cure. Our most efficient grocers are refined in this crucible of hard struggle with actualities. And one unquestionable result of the prevailing process is that margins are progressively narrowed by keen competition, and that consumers thereby benefit.

Further, I do not include lack of capital among beginner disabilities, because we find that those who start virtually without money succeed far out of proportion to their relative numbers. This is as true of chain grocers as of "independents." Perhaps there is in sight no available substitute for *laissez faire* in the food and grocery business.

Indicating how well unhampered economic processes function in this field, it seems that full-service family grocers prospered unusually after October, 1929. According to one organization highly regarded in food trade circles, service grocers grossed 17.1 per cent in 1930. Their expense was 13.1 per cent and their net four per cent. The figures are remarkable. Here was a gross three to four per cent less than formerly. Expense was five per cent less. Yet the net was 1.5 per cent more than the 2.5 per cent which all experience indicates is a safe normal. Consumers had been saved a heavy percentage because store operation was far more efficient. Nevertheless, the net was so much too liberal that a great shrinkage seemed inevitable with recovery of market values and increased grocer mortality had to follow.

Let us note that these conclusions related to our most nearly "independent" grocers, "little fellows" who have grown big, or attained medium size, or remained small, all according as they fill acceptably some niche in the general scheme of retail distribution. It should be further noted that from these ranks successful chain organizations spring—all evolutions from just such small beginnings. For it is the mergers and combines that provide instances of chain failures.

This enhanced prosperity of individual grocers was surprising because from and after October, 1929, values had radically declined, a condition which formerly had always entailed increased business mortality. The paradox may thus be explained:

Grocers no longer carry reserve stocks, they buy from hand to mouth. Formerly, with heavy reserves, shrinking values brought loss. Without reserves, grocers got a turn between purchases; each purchase was

Burroughs

DUPLEX

CALCULATOR



AUTOMATIC "RECAPPING"

- TWO SETS OF DIALS** Individual totals are obtained in the front dials, then transferred electrically to the rear dials where they accumulate as a grand total. Dials are well separated to avoid confusion.
- ELECTRIC TRANSFER** Touching the motor bar transfers the individual total from the front to the rear dials electrically.
- ELECTRIC CLEARANCE** At the single touch of a key the front dials can be cleared separately, without transferring; another key clears both dials simultaneously. Both operations are electric. There are no cranks to turn; no levers to pull.
- FASTER SUBTRACTION** Entirely new feature provides the simplest method of subtraction on any key-actuated calculating machine.
- FRACTIONAL CENT** The machine gives, or takes, the half-cent as desired; or accumulates fractional amounts in the normal way.
- MOTOR DOES THE WORK** The Duplex retains all the advantages of other Burroughs Electric Calculators, including complete one-hand control; uniform, light touch for all keys; and fast, positive action. Accuracy is electrically enforced.

The Duplex is furnished in 9 and 13 column sizes. For a demonstration, telephone the nearest Burroughs office, or write direct for illustrated folder.

BURROUGHS ADDING MACHINE COMPANY
DETROIT, MICHIGAN



Everybody Knows TUMS Relieve Acid- Indigestion!

PEOPLE of all ages, from all walks of life, depend on TUMS regularly. For millions already know that these delightful candy-like antacid mints quickly dispel gas and counteract excess acid. Wonderful to relieve and prevent acid indigestion, sour stomach, heartburn, belching and nausea. They contain no soda nor any water soluble alkali. When TUMS correct the acid condition, any excess passes off inert and unabsorbed. Try TUMS yourself—whenever foods or gassy drinks bring on stomach distress. Handy—effective. Get a roll today at any drug store—only 10c.

1935 Calendar-Thermometer combined, in beautiful 3-color design, also sample TUMS and NR. Send name, address and stamp to A. B. LEWIS COMPANY, Dept. 16-PW St. Louis, Mo.

Free
TUMS FOR THE TUMMY
TUMS ARE
ANTACID...
NOT LAXATIVE

For a laxative, use the safe, dependable Vegetable Laxative NR (Nature's Remedy). Only 25 cents. NR

For the man
who cannot be
in Washington,
Nation's
Business is an
authoritative
interpreter of
what's going on
in Government
which will
affect business!

at lower prices than the former ones; hence, there was increased margin between turns.

Here, then, basically, was the old standard condition of affairs: Nothing for the able grocer to worry about. Now we have trade conditions, reported by the same organization already referred to, which reflect stable earnings still more widespread among individual grocers in 1934—conditions so favorable that such grocers are said to be in better positions than the chains.

How then can we see anything especially dangerous today for the "little fellow" when, after more than a year during which NRA has added burdens but afforded virtually no opportunity for compensating profits, we have such an earnings record?

Efficiency greatly increased

THAT record clearly indicates that the grocery business as a whole takes such good care of itself that all it needs is to be let alone. From the standpoint of the consumer, the record shows that the grocery business continues to perform with increasing efficiency. It shows narrower margins charged, despite which able grocers get liberal profits because of improved management.

How many of us realize that this business has been completely recast in the past 18 years? The betterment is creditable more to chain influence than to any other one factor. Or, if you prefer, call it the entry of scientific system into the grocery business.

The evolution has greatly reduced retailing costs. Indications are that no less than ten per cent has been lopped off consumers' bills. My own opinion is that the reduction is more than ten per cent; but let it go at that. Consider our national food bill on the basis of two estimates.

First is the estimate of the organization already referred to that our 1929 grocery bill was \$20,000,000,000. Ten per cent saved on that would equal \$16.26 for every person, say \$81.30 per family, annually. From this source we also have the estimate of \$14,000,000,000 for 1933, meaning not fewer groceries but lower cost therefor. Ten per cent off that figure would equal \$11.38 per person or \$56.90 per family.

Second is the census figure of \$13,221,000,000 for our 1929 grocery bill. On this a ten per cent saving would mean \$10.76 per person, or \$53.80 per family. Then if we estimate 30 per cent reduced value for groceries in 1933, our national bill would stand at \$9,254,700,000, assuming no population increase. Ten per cent off that figure comes close to \$7.54 per per-

son, or more than \$37.65 per family. And because dollars were scarcer in 1933 than in 1929, perhaps the saving in 1933, though smaller, was relatively more important than the larger 1929 figure. In any event, whichever set of figures we accept, such savings seem tremendously important.

But the vital feature of this accomplishment was that it occurred within the trade itself through better retailing. Not a single contribution has come from NRA, AAA or any other outside influence or agency. Those initialed government bodies have merely put extra burdens on the business. Improvement is and has been spontaneous. It springs from the impulses of men seeking, each for himself, ways to better their condition. Men gain their chance by supplanting old, deficient, extravagant methods with new, efficient and economical ones which do a better job.

Experience shows that it is dangerous and costly to interfere with this normal process; that to afford such impulses the utmost freedom is the wisest plan. Nothing now on the horizon indicates that other ways will yield happier results.

We have seen the kind of grocers who are "driven out of business" in this process. But instead of seeking some sinister influence inferred by Administrator Johnson's expression "driven out," may we not more profitably inquire what has enabled chain grocers to attain distribution of about 30 per cent of the total food business? Is it, perhaps, possible that consumer preference and selection has been a major influence in this matter of deciding which grocers are to remain in business? Let us see.

Service and quality lead

IMPERSONAL trading prevails in large cities where neighbors do not know each other. There chain grocers have so far grown most rapidly. But what can we conclude when a small western community where everyone knows everyone else shows distinct chain-store preference?

In the little mountain city of Provo, Utah, 55.38 per cent of 3,575 housewives interviewed bought of chain grocers. Price did not take them there. They were not "fooled" by "loss leaders." Service and quality of goods accounted for their preference.

After all, every business must justify its existence by its service to the consumer; but in the late welter of propaganda for or against this or that class of merchants and the just rewards for a given character of work, the consumer seems to have been pretty much forgotten.

Senator Couzens of Michigan is—to my knowledge—the only impor-

tant public man who has thought of the consumer in this connection. When a Michigan grocer asked him to support a tax bill aimed at the chains, the Senator pointed out that only grocers had solicited his support of the measure; that it was a Senator's duty also to consider his consumer-constituents; and that before he could think of doing anything to injure the chains he must have some evidence that consumers wanted them eliminated.

Nobody claims that trade progress has been free from errors. They are unavoidable in adventures and experiments normal to commercial evolution. It is true, nevertheless, that today the grocery business does a better job than ever. It is rendering a service which falls into two major types. About half the population continues to trade on a service-de-

livery-credit basis. The other half goes cash-carry. Of the latter business, chain grocers do about 60 per cent. That the chains have justified themselves seems evident from their development into some 7,000 organizations of four units and more, scattered in every state. Such a development would be impossible without consumer acceptance and approval, for the consumer is still free to choose among sources of supply.

Now finally what of Paragraph 5 of Administrator Johnson's statement? The code provision against "loss leaders" which he cited as the cure for the grocer's "ills" is still being altered and revised. The process promises to be interminably long drawn out. As this is written, one need only glance at the various "rulings" printed weekly in the trade press and note how they are changed,

altered, modified and withdrawn for "reconsideration by Washington," to sense what a burden of confusion rests on the food and grocery business and its code authority.

Nothing about that provision seems certain. Two consequences seem probable. One is that what "rulings" now stand will be conducive to greater profits by big organizations. The other is that the consumer's food will cost more.

Aside from being compelled to operate under such extraneous influences and rulings, level-headed grocers find their position today as secure as ever. Most of them now in business have been tried by adversity. They have survived through their own efforts and because they have proved fit to survive. They need have only one cause for anxiety. That is further government meddling.

A New Business Census

A REVEALING measure of the depth and breadth of the depression is provided in the reports of the retail census made by the Census Bureau of the Department of Commerce. The broad economic currents defined by this investigation show significant variations from the figures for 1929, the year of the last retail survey.

Retail sales in the 1,520,339 stores aggregated \$25,700,712,000 last year, a 47.7 per cent drop from the showing for 1929, when 1,543,158 stores made sales amounting in all to \$49,114,653,000. How the personnel fared is suggested by the shrinkage of full-time employees from 3,833,581 to 2,691,310, though part-time workers increased from 676,559 to 930,900. Pay rolls declined from \$5,028,282,000 to \$2,669,243,000 for full-time workers, and advanced from \$161,387,000 to \$252,706,000 for part-time employment. Average annual earnings for full-time employees tapered from \$1,312 in 1929 to \$992 in 1933.

These figures cover only establishments selling merchandise at retail. So-called "service establishments" reported, in addition, a business amounting in 1933 to \$2,214,024,581. These establishments employed an average of 434,014 full-time employees, 178,663 part-time employees, and 503,441 proprietors. The total pay roll (exclusive of compensation or drawing accounts of proprietors) aggregated \$538,770,141, of which \$461,635,909 was paid to full-time employees, and \$77,134,232 to part-time employees.

For purposes of this special census

the classification "service establishments" includes businesses performing personal services for the public, such as barber shops, beauty parlors, shoe shine parlors and laundry agencies. It also includes business services such as advertising agencies, dental laboratories, delivery services and the like; mechanical repair services, such as locksmiths and gunsmiths, typewriter repair shops, bicycle and motorcycle repair places, and other shops making mechanical repairs.

Professionals not included

THIS census does not include lawyers, doctors, dentists, and others performing professional and scientific services. Automobile repair shops are regarded as retail establishments and not as service businesses because much of these sales represents parts. All places of amusement operating for revenue, as theaters, amusement parks, dance halls and the like are included in the "service" survey.

As for the indicated tenacity of sales outlets—only 22,000, or 1.5 per cent less than in 1929—it would be necessary to know and consider the commercial mortality before assuming that the slight contraction in store units represented the total of retail fatalities in four years of hard times. Experience is otherwise. Stores go out of business. Other stores take their places or their trade. Enterprise is ever ready to fill up the ranks. The figures do not mean that all save 22,000 stores in business in 1929 were able to carry on. As might be expect-

ed, there were more "active proprietors" in 1933 than in 1929—1,572,588 compared to 1,510,607.

John Guernsey, who was in charge of the 1929 retail census and who was drafted from the *Retail Ledger*, Philadelphia, to take command of the 1933 retail census, pointed out that the total retail trade had proved "much lower than any estimates I have heard of."

The first states tabulated, which happened to be mid-west and mountain states, indicated, he said, a \$26,000,000,000 total, but he thought that the big eastern states would show less of a drop because of their greater proportion of chain business.

"That turned out to be a fallacy," he said, "and it now looks as if the chains as a whole made no better showing than other types of stores."

Mr. Guernsey also said that "another fallacy," denied, however, from the first by the Bureau of Census, was that the number of stores had been reduced around 400,000 since 1929.

William L. Austin, Director of the Census, in giving out the figures emphasized that they should be regarded as tentative until all of the returns have been verified and included in the preliminary totals.

The Census of American Business was begun January 1, 1934, by the Bureau of the Census with funds provided by the Civil Works Administration. More than 15,000 workers were given temporary employment in canvassing the approximately 2,200,000 retail, wholesale and service businesses in the United States.—R. C. W.

New Ideas in Selling

A few of the new plans that
are being used to sell
more goods to more people

The art of smoking. A famous London and New York pipe maker and tobaccoist offers a new service "to gentlemen who seek complete pipe-smoking enjoyment." They're invited to drop into his shop as "unobligated and welcome guests" and avail themselves of the counsels of his experts in choosing their tobaccos; caring for their pipes, and lighting, cleaning and smoking them. Choosing one's tobacco is something no gentleman can lightly undertake, our friend informs us. Indeed, it partakes of the nature of a rite.

"Our chief tobacco blender," he tells any who care to listen, "stands toward the rear of the floor, behind a row of bins, each containing a different tobacco. 'Isn't it strange,' he says, 'that you, to whom it would never occur to wear a ready-made suit, have perhaps for years been content to smoke ready-made tobacco?'"

"You are forced to admit it. You learn a great deal more about tobacco before the gentleman is finished. It seems that in no respect do individuals differ more profoundly than in the senses of taste and smell. A flavor pronounced delightful by one is considered unpleasant by another. Hence the ideal pipe mixture for each individual must be blended with due regard for his personal idiosyncrasies.

"The tobacco blender questions you in the manner of a doctor. 'You are a bit nervous, perhaps? No Latakia for you, sir. It touches the nerves. No Perique, either. It sometimes reacts on the heart. Gentle Turkish, yes, and some Virginia to give it a tang.'"

"All the while he is digging into his bins, so many ounces from one, half that from a second, a pinch from a third. . . ."

And so on. A select appeal to a select market, perhaps, but it shows how as common a thing as buying—or selling—a bit of tobacco can be lifted out of the commonplace.

Mothproofing as a sales aid.

Increased use of mohair as an upholstery material for furniture is being sought by several manufacturers through guarantees against moth damage to the fabric. One company, which uses its own mothproofing process, provides an unconditional guarantee, underwritten by an insurance company, on every piece of furniture upholstered with its mohair. The guarantee assures the owner of the piece of a new recovering job if made necessary by moth damage within five years after purchase.

Pepping up the jobbers. A company which manufactures toasters, hospitality trays, etc., gave its jobbers a busy morn-

ing recently with a merchandising campaign which introduced several new trays. At a certain hour jobbers and jobbers' sales managers throughout the country received by telegraph messenger boys boxes containing the first complete information on the new items. Color pictures; samples of dealer display material; consumer leaflets and recipe booklets; sample of food products, suitable for use with the trays, and whose makers are cooperating with the company; details concerning prices, advertising and merchandising plans—all were packed in the boxes in progressive layers which supplied a running story.

No sooner had recipients digested this than a second relay of messengers delivered samples of the new trays. Still later a third contingent arrived with ready-packed salesmen's kits sufficient to equip the jobbers' sales forces.

"Thus," to quote the company's advertising agency, "in the space of a few hours the line was announced in a man-



After-hours phone calls to 150 Los Angeles firms are routed to, answered by a single sales and service exchange. The exchange studies clients' businesses, undertakes handling of complaints, answers to inquiries, closing of sales

ner that raised the enthusiasm of sales forces progressively, and everything necessary for an immediate start on the campaign was supplied."

A "little fellow" speaks. "Why You Should Buy from the Little Fellow" is the title of a sales bulletin recently issued by an electric manufacturer who is one—and proud of it. As he states:

"The little fellow—that is, the good little fellow—is mighty hard to drive out

of business. In spite of depressions, cut-throat competition and major calamities, the small, efficient organization with a first-class product comes up smiling.

"We are little fellows—not so small that we can't afford a reasonable amount of research and development expense, but we are small enough to have a lot of flexibility. Our customers still deal directly with the owners of the business. Decisions on special problems and policies are immediate and authoritative. . . ."

"There are many good reasons why you should buy our motors—some of them are outlined on the inside pages. They tell a story of accomplishment and leadership—just a story of one of the little organizations that refused to be licked. . . ."

It is needless to add, perhaps, that not a single one of those reasons even hint that the customer should "buy of a little fellow" out of any sentimental regard for his size—or rather, lack of it.

For blissful bathing. Towel purchasing is usually considered the housewife's prerogative, but one towel manufacturer now makes a bold bid for the masculine market with a man's towel (35 by 50 inches), packaged three to a large square box emblazoned with caricatures and the following rhymed accompaniment:

"Towels that look more like a hanky
Do not dry a man who's lanky.
Skinny ones that seem like mesh
Can't accommodate much flesh.
In the best hotels and clubs you
Never find a towel that snubs you.
Most of them, while not immense,
More or less resemble tents.
Why should home-men be forgotten?
Here's the very best of cotton,
Big and bear-like, full of
thirst,
Deep and soft, and from the
first
Made to last . . . and Boy-o-
boy,
Give a man real bathing joy!"

Gentlemen, a chair! Here's how an English furniture firm lends customer appeal to a chair in its advertising:

"CHAIR for gentlemen intending to marry—but not yet. For evenings between engagements. . . . For counting your blessings and trying to remember the color of their eyes. . . . For feeling relieved that the dance band on the radio is as far away as Berlin. . . . For the rich and rare enjoyment of a drink you mixed for yourself. . . . For the pleasure of solving a thriller and finding you were entirely wrong. A splendid, utterly selfish chair . . . a chair from which, when the telephone rings, you can say, 'No, you come 'round here if you want to see me.'"

Selling West Virginia. Through the West Virginia Publicity Association, West Virginians are seeking to "sell" their state to tourists, industrialists and home seekers. Every section has a voice in the Association's management, there being a vice president for each congressional district, a director for each senatorial district, and an advisory committeeman for each county. Any West Virginian may join by paying a nominal fee. A committee plans to raise funds to underwrite Association activities, including an advertising program, for two years.

—PAUL H. HAYWARD

NEW- 3 POINT CONTROL

opens the throttle wide on all Figuring Jobs!

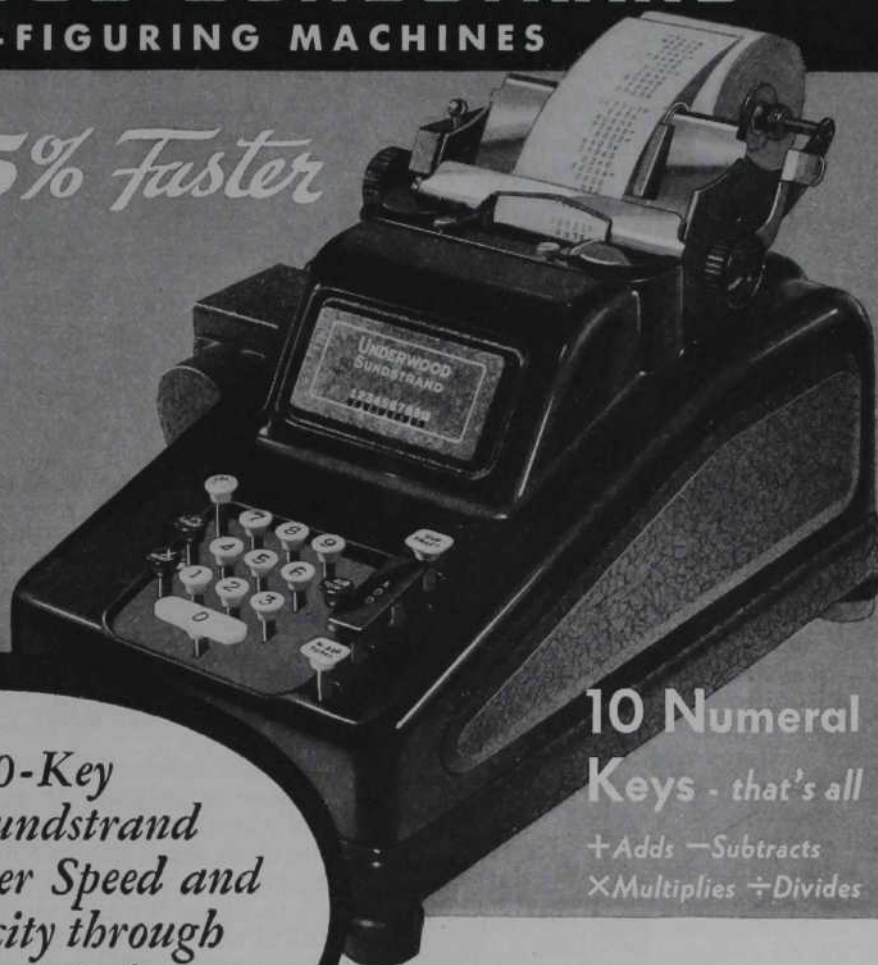
UNDERWOOD SUNDSTRAND

ADDING-FIGURING MACHINES

15% to 25% Faster



*Famous 10-Key
Underwood Sundstrand
offers even Greater Speed and
Greater Simplicity through
revolutionary 3-Point
Control feature*



**10 Numeral
Keys - that's all**

+ Adds - Subtracts
× Multiplies ÷ Divides

*Every Underwood Sundstrand Machine is backed
by nation-wide service facilities.*

THE biggest adding-figuring machine development in years is at your service now exclusively on Underwood Sundstrand Adding-Figuring Machines ... 3-POINT CONTROL.

To give you in combination with the famous Underwood Sundstrand 10-key feature 15% to 25% greater speed in recording figures on the tape.

To provide time-saving short-cuts in multiplying and dividing ... to make child's play of

adding and subtracting. To eliminate waste motion by performing six important functions on three keys.

To offer an even greater degree of simplicity in a machine that has been famous for simplicity for years.

For simplicity, speed, accuracy and durability choose the new Underwood Sundstrand with 3-point control. See it at the nearest Underwood Elliott Fisher Branch or mail the coupon for a demonstration in your own office.

Adding Machine Division

UNDERWOOD ELLIOTT FISHER COMPANY
Adding Machines, Typewriters, Accounting Machines
Carbon Paper, Ribbons and other Supplies
342 Madison Avenue, New York, N. Y.
Sales and Service Everywhere

Adding Machine Division

UNDERWOOD ELLIOTT FISHER COMPANY
342 Madison Ave., New York City

▶ Please demonstrate the new Underwood Sundstrand with 3 POINT CONTROL without obligation to me, of course.

Name _____

Street Address _____

City _____

NB 10-34



Underwood Elliott Fisher Speeds the World's Business

REPUBLIC

MECHANICAL RUBBER PRODUCTS



LARGE PRODUCTION Under Scientific Control

THE ENORMOUS facilities of this company are aided by the most modern processes and laboratory equipment for the maintenance of our higher established standards in the manufacture of mechanical rubber products. Republic ranks among the world's foremost producers of mechanical belting, hose, packing, molded goods, extruded products and hand built items of practically every description.

The basis of Republic's exceptional quality lies in a rigid system of scientific control governing every manufacturing stage from the raw rubber to the finished product. The Republic Quality Standard involves all factors of merit and adaptability in service. Above all, it includes those intangible elements which only long experience can embody in technical production and which distinguish the product that is scientifically made to suit the application.

Ask for complete information concerning any of Republic's Mechanical Rubber Products and the name of our nearest distributor.



THE REPUBLIC RUBBER COMPANY

YOUNGSTOWN, OHIO

*Leadership in Policy, Product
and Performance.*

... ORDER ...
**REPUBLIC RUBBER PRODUCTS
FROM YOUR DISTRIBUTOR**

Formula for Reviving Opportunity

(Continued from page 30)

desks ranged around the sides. Through this glassed court and into the plant itself, guided by Plant Superintendent P. J. Benson—

You begin to see some of F. C.'s ideas at work. You see a plant which, as you would expect, is as clean as a pin. But that's a poor simile, you learn. They abhor pins here. They won't allow one on the place, not even in the office. Workers pass inspection every morning to make sure they're wearing neither pins nor jewelry. No pins in the plant, no pins in the candy. Pin inspection over, the workers file past a registered nurse, on duty at the plant dispensary. She sees that hands and nails are clean and unblemished; that uniforms are spotless, that nets confine the girls' hair.

"We have no storage space," Benson remarks as he leads you on out to a railroad spur beside the plant.

"Fifteen or 18 cars of raw materials come in here a day—corn syrup, chocolate, sugar, eggs, honey, nuts, malted milk, milk, cream and salt.

"Salt? Sure, we use a lot of it.

"Tank cars bring us the syrup and milk—about 20,000 gallons a day of the latter, prepared in country dairies under our supervision. Pipe lines carry it into this holding tank."

Small storage tanks

WE'RE back inside the plant now and Benson is pointing to a small tank, only a little taller than himself.

"That holds about a 20-minute supply and that's the extent of our milk storage facilities. We have more margin with our corn syrup. Those tanks over there hold a 90-minute supply. We have space for about one batch of sugar in the plant. So we have to keep materials moving. A day's batch comes in on this side of the building in the morning. It goes out at night from the other side in the shape of 20 to 30 refrigerated carloads of finished candy bars."

It's a system that calls for smart work by the traffic department. Oh sure, they've had narrow squeaks on occasion. There was the time that they averted a shut-down by only about ten minutes—. But the system works. It cuts overhead and insures fresh materials. One of F. C.'s ideas.

Now up through the plant itself, and through climates that range from torrid to frigid. Air conditioning had one of its earliest applications in the candy-making business. There's a correct temperature and humidity for every process.

We come to the egg-breaking department. Deft girls are emptying crate after crate of eggs on to a chute that runs through a wall and into the candling room. We go in. It's dark in here but we make out two rows of girls. They're seated before candling machines. Moving belts carry the eggs past them and into the breaking room. We follow the eggs.

Speed and cleanliness

POLISHED steel equipment, white uniforms and flashing white hands. A temperature held at 70 degrees. The four-month egg season is at its height. This department is working at top speed. Four carloads of grade one, strictly fresh eggs are rolling in each day from the Middle West. Some 75 million eggs will pass through these girls' hands during the four months. Each girl is especially selected for her keen sense of smell. Each day she'll crack some 6,000 eggs into the little steel trough and receptacle in front of her. It holds three or four eggs and when it's filled she picks it up and passes it under her nose. The candling machines can catch any eggs that may be downright bad, but it takes the human nose and eye to detect those that may have "musty" or "green-white" yolks.

"We only use the whites here," Benson explains. "We sell the yolks to the mayonnaise and noodle people. Originally we didn't operate our own egg-breaking plant but we found we had to get the best whites and keep them free from shell fragments."

A shell fragment, you gather, is to be avoided in a quality candy bar almost as scrupulously as a pin.

"Before we started buying and breaking our own," Benson goes on, "we made a survey of the country and found which sections produced eggs best suited to our purposes. We picked a zone extending west as far as Missouri, Kansas and Nebraska. It produced an egg having an albumen which suited us and a dark yolk which suited mayonnaise and noodle manufacturers. They like dark yolks, especially for their egg noodles.

"We start buying from specific sections down in southern Missouri in March. Hens are eating the early vegetation there then. The whites of their eggs are firm and viscous, the yolks darker. Our buyers work northward to Minnesota with the season."

As he talks you watch the incredibly swift motions of 30 or 40 pairs of hands rolling up those 6,000-egg

START HERE

IN YOUR ECONOMY PROGRAM



A FEW ILLINOIS ALLOY STEELS THAT ARE HELP- ING MANUFACTURERS REDUCE COSTS:

Illinois S.A.E. 6150 for high physical properties at low treating costs.

Illinois S.A.E. 4615 for parts requiring economical hardening.

Illinois S.A.E. 5140 for high physicals with relative ease of machining.

Illinois Chrome-Nickel-Moly for extremely high torsional stresses.

Further information on these and other Illinois Alloy Steels may be had upon request.

The answer to your problems of cutting costs may be found in the steels you are using. From the open hearth or electric furnace, there comes a range of alloys to serve many a manufacturer more efficiently and economically. You may, for instance, be able to secure additional strength in a given part without altering design or increasing size and weight—simply by a change in steel specifications. You may be able to reduce machining costs without a single change in equipment—merely by adopting a steel with better machining characteristics. You may obtain necessary strength factors without costly heat-treating. You may find in a change of steel specifications the answer to a hundred and one problems of cost.

New alloys offer a fruitful field for investigation for every manufacturer using steel in his production. Illinois Steel Company, manufacturing a wide range of modern alloy steels, is in a particularly favorable position to supply your needs and to co-operate with you in the selection of a proper analysis for any application.



Illinois Steel Company

208 SOUTH LA SALLE STREET • • CHICAGO, ILLINOIS

SUBSIDIARY OF UNITED STATES STEEL CORPORATION

ILLINOIS *alloy* STEELS

ALWAYS DEPENDABLE

The Least You'd Want to Live On

HAVE you ever stopped to think what would be the *least* you'd want to live on after you retire from business life?

Why not be sure of that *least* anyway by taking advantage of the John Hancock retirement annuity plan.



JOHN HANCOCK INQUIRY BUREAU
197 Clarendon Street, Boston, Mass.
Please send me information about annuities.

Name
Street and No.
City State

N. B. 10-34

FREE!



THIS 1935 PORTFOLIO of Kimpak CREPE WADDING

Send for it—you'll find the solution of your shipping problem

TO anyone interested in packing or shipping we offer, absolutely free, the KIMPAK "1935 Portfolio" (regular file cabinet size). You'll find in it samples of the many types of KIMPAK—the best insurance against shipping damage.

KIMPAK is a soft, resilient crepe wadding that comes in rolls, sheets, and pads of various thicknesses. It is free of dirt, grit or other foreign substances. KIMPAK protects fine finishes, minimizes breakage during shipment. It gets your product to your customers in perfect condition.

Because it is easily applied, KIMPAK saves time, labor and money in packing or package protection. It will help you get and hold customers. Request this "1935 Portfolio" on your letterhead to-day.

KIMBERLY-CLARK CORPORATION
NEENAH, WISCONSIN

8 South Michigan Avenue, Chicago
122 East 42nd Street New York City
510 West Sixth Street Los Angeles

stints. Twelve minutes after the egg's taken from its crate, such of its albumen as is above current needs is in one 30-pound sealed tin and its yolk is in another, both mounting *via* conveyor to the freezing room.

Again we follow, and step out of the temperate zone and into the frigid. Yolks and albumen are held in this room only until frozen. Then the former go forth to their buyers and the latter to a commercial storage plant, to be drawn back when needed. It's 18° below zero here. The cold bites through our clothing. We do not linger.

We come to a battery of huge peanut and almond roasters, flanked by cooling pans.

"We've worked out a system that cools the peanuts quickly," Benson explains. "It makes the skins come off easier. Incidentally, those peanuts hale from Virginia and are bought for their flavor and size."

Nuts undergo inspection

DOWN on the floor below, a parade of whole nut kernels drops onto broad belts moving slowly past sharp-eyed girls. The girls pluck out the blemished kernels. A machine removes the bitter hearts from the peanuts. Then on to the grinding mills.

"Of course, we could buy broken nuts cheaper than whole ones," Benson answers our question. "And as you say, they're all ground up in these mills anyway. But we find that we can keep better watch over quality by buying them whole."

Now on to the point where all ingredients flow together and straight-line production of the bars themselves begins. Gleaming batteries of 80-quart, power-driven mixing bowls.

"We get closer control this way than if we mixed bigger batches. And when something goes wrong only one small batch is ruined."

The nougat flows from the bowls and pours onto long trays. It's smoothed to bar thickness and the trays pass on to conditioners where the nougat cools for its caramel coating.

The caramel's applied and the trays pass to bunkers and into another setting room and a 64-degree temperature. Cooled again, the nougat's cut into long strips, bar width. A machine and men divide the work.

"We developed and built that cutting machine, like many other smaller machines we use, in our own shops," Benson points out. "We're installing another like it soon, and hand cutting will end."

"Technological unemployment for those hand cutters?"

Benson smiled.

"No indeed. They'll be kept busy

handling new bunkers to supply the machines."

The strips of nougat journey on. Now they're at the enrobing room for their chocolate coating.

The chocolate for that coating comes to the plant in huge paper-covered slabs. Two to three carloads of it a day. It's broken to bits, and fed into huge melting pots, each brimming with 2,000 pounds of swirling dark liquid and giving off an aroma that would tempt an epicure.

Applying a hand finish

THE chocolate fills its rôle and the coated bars ride forward. They pass beneath the smooth hands of a bevy of white-clad girls. Caressing pats impress a rippled finish. The bars march on to the wrapping rooms.

"There's another case where machines are not going to throw any workers in this plant out of jobs," Benson volunteers as we follow on. "We've developed a machine that will put the same finish on those bars that those girls are putting on by hand. But we're not going to put it to work unless and until we can take care of those girls elsewhere in the plant."

Now back to the office of General Manager W. L. Kruppenbacher. Mrs. Mars carries on as president. She's down in Tennessee just now, visiting the huge stock farm she and her husband bought when things began to get a little easier for them. They called it Milky Way Farms, after their candy bar. F. C.'s buried there.

This was his office once. The walls are covered with framed pictures of his cattle and the race horses that were beginning to interest him.

We hear something about the distribution side of this candy business. F. C. had some ideas about that too. There was the summer slump that had always afflicted candy manufacturers. F. C. recognized it only to erase it. He educated retail dealers to promote a frozen candy bar the same way they promoted ice cream. Through refrigerator displays and sales. Mars, Inc., sells those retail dealers through jobbers exclusively. No "deals," no "free" goods, no rebates. The same price to the corner grocer who buys one case as to the customer who buys a carload. Between 40 and 60 salesmen on the road, covering the country. They'll take a spot order if the dealer's stock is low. They won't take a future order. Instead they leave a mail-order blank. The dealer mails it in himself when he's sold out or nearly so. Of course, Mars and the dealer lose some sales if the dealer's stock runs out before the fresh supply comes in.

"We'd rather do that, though, and

FIRST NEWS OF A SILENT REVOLUTION IN TYPEWRITING...



...THE *Silent* L C SMITH

Until now, no one has invented a typewriter that is both *Standard* and *Silent*.

We have always felt that if L C Smith ever produced a Silent typewriter it would also be a Standard typewriter. Comparatively, it would have few, if any, more moving and wearing parts than any other Smith standard machine—hence once made silent, it would stay silent!

We think we have now achieved this result—and that this new Silent Smith is destined to revolutionize typewriting.

It truly earns its name Silent. But it is an L C Smith Standard typewriter through and through.

For demonstration or descriptive booklets, phone our nearest branch or write us: L C Smith & Corona Typewriters Inc Syracuse N Y

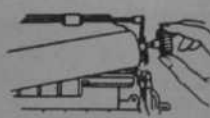
YOU SHIFT ONLY
THE TYPE
SEGMENT



Smith Floating Shift



Ball-bearing Type Bars



Interchangeable platens



Non-glare Key Rings

I have it
I heard it
I had it

Half-spacing escapement



Decimal Tabulator

der the law, will be required to leave the service of the railroads permanently on February 1, 1935. Those employees will contribute less than \$250,000 to the fund set up under the Act, but will receive as a bounty for past service not less than \$9,000,000 the first year and not less than \$74,000,000 to termination of annuities. Of this, the carriers will be required to pay two-thirds.

Within one year before the approval of the Act, it was further pointed out, more than 50,000 railroad employees left the service of the carriers and have not returned. Under the Act, such employees come within the provisions of the law.

No stimulus to loyalty

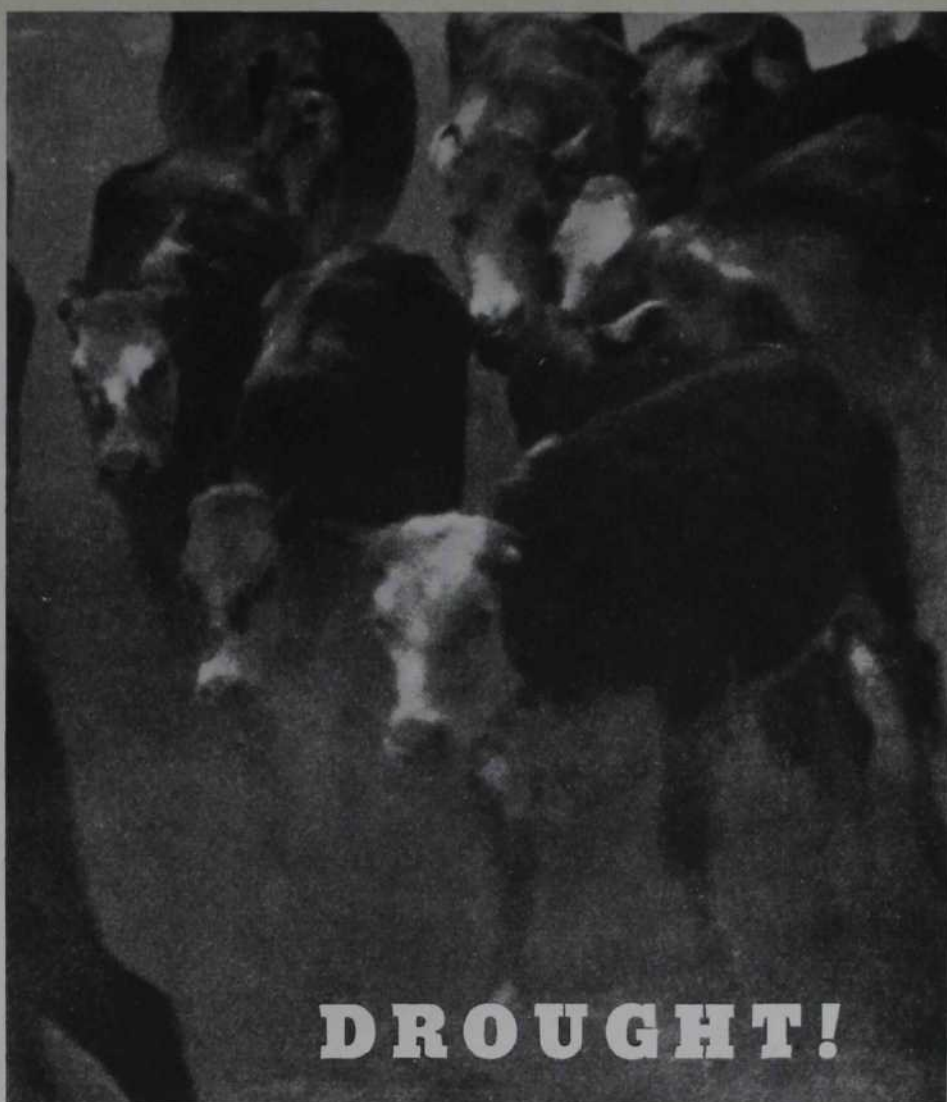
UNDER the pension systems established by the railroads voluntarily, loyalty and continuity of service were rewarded. Under the Railroad Retirement Act, the railroads are required to contribute to annuities for persons released from service when their continual employment is found to be detrimental to efficiency or safety. Such annuities are payable when they reach 65 years of age. In other words, the plan as embodied in the Act treats the railways as a single system, recognizes service on any railway regardless of continuity and disregards the reasons for separation from service.

The railroads also pointed out in their application to the court that the Act would place a heavy financial burden on them, disproportionate to its benefits, particularly in view of their present financial condition. At present, approximately 40,000 miles of railroad in the United States are in the hands of receivers or trustees in bankruptcy; a larger mileage in this condition than at any previous time in history. Fifty-five Class I railroads, it was further shown, failed to earn operating expenses and taxes in 1932; 34 failed to earn operating expenses and taxes in 1933; and 33 failed to earn operating expenses and taxes in the first six months of 1934.

Despite drastic retrenchments in expenditures and the exercise of the utmost economy consistent with safety, the railroads in 1933 had a net railway operating income representing only 2.18 per cent of the value of the properties devoted to transportation.

Restoration of wage reductions to employees will increase the annual labor cost of the Class I carriers by more than \$165,000,000, according to the petition, while operating costs will be increased by approximately \$125,000,000 during the current year

(Continued on page 76)



HARD won profits, too, dry up when accident strikes and liability takes its toll. But sound insurance protection is the saving shower which protects the nation's business against disaster. • For more than 50 years the Standard Accident Insurance Company of Detroit has been providing sound Casualty Insurance to individuals, to industry and to business. • Today more than a million people enjoy the security of Standard protection . . . over 135 millions of dollars have been paid in claims. • Responsible representatives everywhere can supply you with insurance or bonds in the Standard of Detroit.

Automobile . . . Personal Accident and Sickness . . . Burglary and Holdup . . . Plate Glass Breakage . . . Liability . . . Workmen's Compensation . . . All Forms of Fidelity and Surety Bonds. An experienced, national organization of agents, inspectors, safety engineers and adjusters assures prompt and satisfactory attention on all policies and bonds.

STANDARD
ACCIDENT INSURANCE COMPANY
of Detroit

So Yours Is An

WHO says so?

Have you long been a leader in your field? Well known? Reliable?

Well known to whom?

Here's a new general manager in a firm that used to be one of your good customers. He came from a field foreign to yours. Are you well-known to him? Can you count on his invitation to bid on all requirements?

Business is full of new faces. Executive turnover has broken all records the last four years. You can keep up with changing personnel only by keeping your sales story constantly before *all* your prospects. You must reach every possible person of influence—spread your sales story all across the field of American business.

Be sure that it penetrates to all those influential individuals who initiate, investigate and recommend. Spread it widely enough to give yourself opportunities for new



"I consider Nation's Business one of my most dependable sources of current business thought."

E. J. BARTLETT,
Pres.

The Baker-Raulang Co.
Cleveland, Ohio

MR. BARTLETT is one of the 31,050 executives who receive Nation's Business because of membership in the United States Chamber of Commerce. The membership subscribers, originally the only subscribers, now constitute 12% of the total net paid circulation of 253,227.



"Old Established Business"

business. Just coverage of known customers isn't enough. One subscription to each firm in your known markets may be coverage. Three, four or more subscriptions in firms large and small in all fields of activity is penetration.

That is what NATION'S BUSINESS offers. City by city, industry by industry, firm by firm, name by name, NATION'S BUSINESS is able to show economical and adequate penetration into all business classifications.

It is the only business magazine with enough circulation to "carry through" all industry. In circulation, in reader regard, and in low cost, its leadership is unquestioned.

**NATION'S
BUSINESS**

WASHINGTON

E. V. THOMPSON • Director of Advertising



**The only magazine
for business men
that carries through
all American business.**



Employers who carry

GROUP
LIFE
INSURANCE

soon learn to class it as an essential. They find from experience how much it can help.

Let us show a plan
for you and yours

THE PRUDENTIAL
INSURANCE COMPANY
OF AMERICA

EDWARD D. DUFFIELD, President
HOME OFFICE: Newark, N. J.

ACCOUNTANTS!

increase your
ability to handle new
problems, new conditions

with this great 1730-page Handbook covering modern expert practice from simple bookkeeping to higher accounting.

GIVES information you need for a prompt, practical solution in any situation, everyday or emergency, you may meet. Covers entire range of accounting and related business activities—not only principles, working procedures, systems, forms, audits, etc., but executive controls, analytical methods, use of reports and statements. Constantly useful, reliable guidance; 31 sections complete, in the famous



ACCOUNTANTS' HANDBOOK

Just this content, without considering its range or the hundreds of authorities represented, would easily fill 10 big books, costing you many times the price of the whole Handbook. Here it is in one sturdy, handsome volume, handy for desk or brief case.

Nothing else like it at any price. In dealing with any question, you can select, not merely usual, but best method for your purposes. You get best opinion on all angles—banking, legal, financial, as well as accounting. Editorial Board of over 70 experts.

Widely used and recommended by executives, credit men, bankers—over 120,000 copies bought.

Send for Complete Section

Write today for 32-page sample section, with full details of Handbook and low cost. No charge; no salesman will call.

Mail this form for your
copy of Free Booklet

THE RONALD PRESS CO., Dept. M805
15 East 26th Street, New York, N. Y.

Please send me, without charge, the 32-page sample section of the Accountants' Handbook with full information about this book and its low cost.

Name _____
(please print)

Address _____

City _____ State _____

Sample
Section
FREE

(Continued from page 73)

compared with the lower price levels of 1933, due to the increased and increasing prices of materials and supplies.

The Act requires the railroads to contribute to the retirement fund in the first year, pending other or higher assessments by the Board, four per cent of their aggregate pay roll, which will mean at least \$60,000,000. Railway employees will contribute two per cent of their wages, approximately \$30,000,000.

The cost to meet annuities will depend on the number of retirements during the first two years, but the general belief is that the costs are certain to grow. On the basis of the four and two per cent contributions it is estimated that the funds will fall short of the needs even during the first few years of the Act and that for many years thereafter the drain on the fund will increase rapidly.

Pensions will be higher

UNDER the provisions of the Act, the maximum retirement pay to any employee will be \$120 a month. On the basis of actuarial computations, it is estimated that the average retirement pay under the Act will be \$80 a month. This is considerably more liberal, except in certain cases, than the provisions of the pension systems established by the railroads themselves, which, according to estimates, made pension payments averaging approximately \$63 per month.

The Railroad Retirement Act may be compared with the existing civil service retirement plan instituted by Congress in 1920 for employees of the United States Government. The Act provides that, whatever assessment may be laid upon the railway employee, whether two per cent of his wages, or more, or less, the carrier shall contribute twice as much. Thus the ratio of assessment on the employer remains always at two to one.

According to the annual report of the Secretary of the Treasury for the fiscal year ended June 30, 1933, the Civil Service Retirement Fund to that date had received \$290,760,432 from government employees, on account of deductions from basic compensation and service credit payments, while appropriations by the Government to the fund, as employer, were \$103,450,000. Taking the fund from its beginning down to 1933, the ratio of employer contribution to employee contributions was thus 0.356 to one.

Stated in dollars, for every \$1,000 contributed by railway employees under the Retirement Act, the car-

rier will contribute \$2,000, whereas for every \$1,000 so far contributed by government employees to their fund, the Government has contributed only \$356. The proportional burden on the railway employer is relatively about six times as great as the burden on the Government as an employer.

Government contributions to the Civil Service Retirement Fund have been increasing, but are still far below the relative level required of the railways as employers under the Act. During the fiscal year 1933, the Government appropriated \$21,000,000. The ratio in that year was 0.689 to one. In other words, the Government in 1933 contributed \$689 to every \$1,000 contributed by the employees, as against \$2,000 that is required of the railway employer under the Act. The relative ratio in this case is about three times as great for the railway employer as for the government employer.

That the pension system set up under the Act is experimental is shown by the fact that the law provides that the Railroad Retirement Board created to administer it is to submit within four years recommendations to Congress as to such changes as should be made in the law. The law itself is a composite of several bills introduced both in the Seventy-second and Seventy-third Congress.

Railroad pensions first appeared in the Wagner-Keller and Hatfield-Crosser bills introduced in the Senate and House in the course of the Seventy-second Congress. A subcommittee of the Senate Committee on Interstate Commerce considered these bills early in 1933, but no hearings were held by the House, and no report was submitted on either bill in either house, in the course of that Congress.

Senate studies pension systems

IN THE course of the Senate hearings, the railways introduced evidence as to their own pension systems, pension costs, number of pensioners, age and service distribution of their employees and financial condition of the railway industry.

The principal witnesses at the hearings were proponents of the bills. The Wagner-Keller Bill was sponsored by the railway brotherhoods. The Hatfield-Crosser bill was sponsored by an organization of railway employees known as the Railway Employees' National Pension Association. To a considerable extent, the hearings developed into an argument between these two groups.

These bills were introduced at the

special session of the Seventy-third Congress in 1933, but without action. At the second session, the principal features of the two bills were merged into a composite bill, which was introduced in the Senate jointly by Senators Hatfield and Wagner on March 28, 1934.

Opposed by Coordinator Eastman

A SUBCOMMITTEE of the Senate Committee on Interstate Commerce held hearings on this bill in April, 1934. Joseph B. Eastman, Federal Coordinator of Transportation, appeared and criticized the bill as being actuarially inadequate. He further pointed out that his organization was engaged in a thorough-going survey of the whole subject of railway pensions, and suggested that legislation be deferred until this study was complete.

After these hearings the Senate bill was revised and reintroduced on May 10, 1934. The next day, Representative Crosser introduced an identical bill in the House.

The House Committee on Interstate and Foreign Commerce heard testimony on this revised composite bill on June 8. Mr. Eastman appeared also at this hearing, and repeated the recommendations already made to the Senate Committee.

After this hearing, the House Committee appointed a subcommittee of five to prepare a revised bill. Three days later, on June 11, Representative Crosser (a member of the subcommittee) introduced the revised bill in the House. This was again revised, and Mr. Crosser introduced the re-revision in the House on June 13. This last bill passed the House on June 15.

In the meantime, on June 14, the Senate passed a railway pension bill, which was neither the Crosser bill of June 11 or 13, but the revised composite bill.

Conference committees from the two houses were appointed on Friday, June 15, met that night to reconcile the differences between the bills, and on Saturday, June 16, filed their report with both Houses. The conference report was adopted on the same day and the bill sent to the President that night for signature.

President Roosevelt held it for the maximum time limit of ten days, but approved it on June 27.

When he signed the Act, the President pointed out that it is crudely drawn "and will require many changes and amendments at the next session of Congress." The President further pointed out that, although the Act "does not create very large additional financial obligations on the

part of railroads during the next four years, the financial burden will increase progressively after that date and the bill makes no sound provision for this increase."

As yet the Railroad Retirement Board has made only two orders, one of which assessed the railroads \$125,000 to defray the administrative expenses, and the other asked the railroads to supply the Board with the names of all employees who have already or will have attained the age of 70 years by February 1, 1935, when the first annuities begin to accrue under the law. The assessment levied on the railroads under the Act which became effective on August 1, 1934, is expected to be used for getting the Board into working order as soon as possible. According to estimates made in Congress when the bill was under final consideration, approximately \$5,000,000 annually will be required to administer the Act.

Those New Government Factories

(Continued from page 36)

the bedding market will be glutted and an already hard-hit industry severely injured. At a Washington hearing the bedding industry was reported to be operating at only 40 to 50 per cent capacity with much skilled labor unemployed. A counter proposal by bedding firms to produce mattresses at a low price for relief purposes was turned down. So was a suggestion advanced in two states that the mattress making be handled by commercial plants under contract much as the Federal Surplus Relief Corporation has handled its share of the canning project.

Discussing rejection of this plan, FERA stated that such handling of the bedding program would be approved only under arrangements for strict supervision and assurance that relief workers would be generously employed. No early plan submitted met these requirements. Some states are reported to be still trying.

One gets the impression, however, that FERA will prefer the work room. In the first place, such rooms provide about the only place in which suitable work can be provided for the many women on relief; since practically no machinery is used, the rooms employ a large number of persons per mattress made and the whole operation is regarded as stretching the dollar paid by the taxpayer for relief much further.

With that purpose, at least, no one so far has found any fault.

More Costly than FIRE and THEFT



Keep him OUT!

More than half the business failures are the result of losses caused by Mistakes, Forgetfulness, Temptation, Carelessness. These losses come out of profits—the life-blood of business.

Don't stand by and see your profits disappear! Eliminate losses with Egly Register Systems that give complete written records of every transaction, filed automatically under lock and key, ready in an instant to reveal all the facts of your business, just as though you yourself had been present at the completion of every transaction.

Only with Egly protection and control can you efficiently guard against losses of profits, and do it quickly, accurately and inexpensively.

Write today for details. Use the coupon below.

THE EGRY REGISTER COMPANY
Dayton, Ohio

Manufacturers of Egly "Speed-Feed" Systems, Egly "Com-Pak" and "Tru-Pak" Register Systems, Egly "Controller" and "Tru-Feed" Billing Machine Attachments and Business (continuous) Forms.



EGRY TRU-PAK

The Egly Register Co., Dayton, Ohio. NB-3410

Send complete information on the Egly Register System for my business.

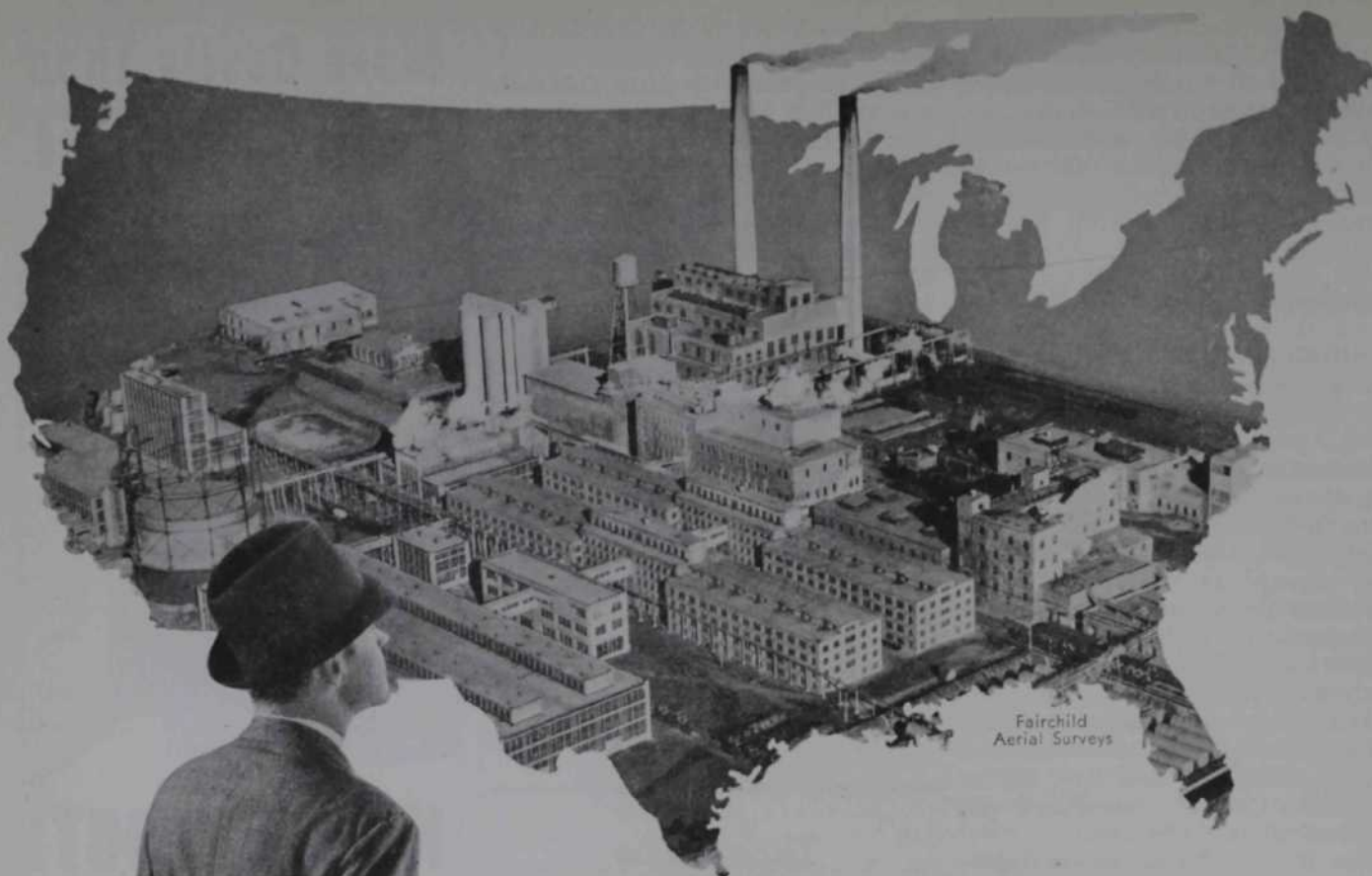
Name

Address

City State

Business

Limited territory available for high type sales agents. Details on request.



Compare Your Firm's Present Financing Arrangements with what this C. I. T. Man Offers

For firms which market a line of machinery and industrial equipment, giving terms to customers who prefer to buy on a deferred payment plan, this C. I. T. representative has a story to tell.

It is a story of C. I. T.'s record in providing a dependable supply of long term funds—depression or not; of the protection afforded by C. I. T.'s unexcelled sources of credit information; and of the results achieved by the great number of manufacturers and merchants who have turned over collecting to C. I. T.'s experienced organization working through our country-wide network of Local Offices.

Our representative may be consulted without obligation on any phase of instalment financing.



Affiliated Operating Companies with Head Offices in New York, Chicago, San Francisco, Toronto, Canada. Also Completely Functioning Local Finance Offices in the Principal Cities.

COMMERCIAL INVESTMENT TRUST INCORPORATED

Executive Offices: One Park Ave., New York

Unit of COMMERCIAL INVESTMENT TRUST CORPORATION—CAPITAL AND SURPLUS OVER \$70,000,000

What Bankers and Investors Discuss

THE maiden speech of Secretary of the Treasury Morgenthau on government finances was a grab bag out of which both conservatives and liberals could pull things to their liking. Soft money people could take heart from his promise to issue, sometime in the indefinite future, \$2,800,000,000 in currency backed by the "profit" from devaluation of the gold dollar. Sound money advocates could find some solace in the Secretary's assurances that the New Deal's costs may not be as high as a good many people feared.

Both sides must be pleased with Secretary Morgenthau's promise to make monthly reports on the volume of assets which the New Deal accumulates through its various lending activities. These assets include all collateral taken in by the Reconstruction Finance Corporation, the Public Works Administration, the Home Owners Loan Corporation, the Farm Credit Administration, and other lending agencies.

A government balance sheet

THE probable proceeds from eventual liquidation of these loans or their collateral has been a big question mark in the long-time outlook for government finance. Monthly reports by the Secretary on the volume of assets held by the Government, while they will not completely erase the question mark, will help greatly in answering the question. Nothing but good can come from these reports.

The general burden of the Secretary's speech was that appraisals of the Government's huge outlays should take into account the various resources which are automatically being brought into existence and which eventually may help to defray the Government's debts.

He pointed out, for instance, that, between the inauguration of the New Deal and June 30, 1934, the Government had spent \$6,000,000,000 more than it took in as revenue, running into debt by that amount. The Secretary then proceeded, however, to list the various "realizable" assets which had accrued to the Government as a result of its program.

Included in his list of assets were (1) a \$1,600,000,000 increase in the Treasury's cash funds, (2) a \$2,800,000,000 "profit"—even the Secretary put the word profit in quotation

marks—from devaluation of the gold dollar, (3) an increase of \$1,095,000,000 in the face value of assets held by the RFC, PWA, and similar agencies.

All these assets, Secretary Morgenthau said, may justly be weighed as counterbalancing a part of the debt increase. He did not total up these assets and deduct that total from the \$6,000,000,000 debt increase, thus arriving at a net debt. Newspaper correspondents did this for him and said what he had inferred: that the net cost of the New

Deal was only \$505,000,000 through June 30.

What are the assets worth?

ONE basic criticism can be lodged against the Secretary's analysis, a criticism which he himself half way acknowledged. He is carrying his assets at their face value. Certainly until there is a business recovery more sweeping than any now in sight this is a questionable procedure.

For instance, among the RFC's "realizable" assets is a block of about

Looking Toward Better Homes



FOR NATION'S BUSINESS BY GEORGE LOHR

E. C. Graham, Hamilton National Bank President, signs the first check. Miss McCrum and Housing Administrator James A. Moffett are beside him. Frederick P. H. Siddons, Albert L. Dean and Robert V. Fleming stand behind

WHEN Miss Alma McCrum of Washington handed her personal note to President E. C. Graham of the Hamilton National Bank and received a loan of \$1,200, the Government's new plan for home modernization was under way. Ceremonies attending this loan will be absent from future transactions which may, by some estimates, mean \$500,000,000 worth of business for those in the building field. Indications are that 60 per cent of the nation's homes need more or less repair. How many of the owners have followed Miss McCrum's example is not known.

Critics of the plan say that the ruling which makes loans repayable in three years has made borrowers reluctant.

However, the National City Bank reported that, on September 10, it was making loans at an average of 40 a day.

It had made 541 such loans—90 per cent for home improvement—averaging \$575. Painting and redecorating led the list of wanted repairs, with heating and plumbing next.

Many civic organizations are reported backing the plan and, in Milwaukee, the *Journal* is renovating three houses to demonstrate the working of the scheme.

Under the plan the citizen who wishes to modernize his property borrows from a private lender on his personal note. The Government guarantees the lender against loss up to 20 per cent. Figures show that loss in such business seldom reaches three per cent. Because of this safeguard, interest and service charges on the loans total only about 9.7 per cent—a low rate for such financing. In other words the borrower gets to use \$10 for about eight cents a month.

PAGE FENCE



• AMERICA'S homes, factories, schools, parks and institutions have for years been protected by a famous silent watchman—PAGE FENCE. 82 Page Service Plants now blanket the country. Write to Association headquarters or any one of the District Offices shown below for name of Page Service Plant nearest you.

PAGE FENCE ASSOCIATION
Bridgeport, Connecticut
District offices in
NEW YORK, PITTSBURGH, ATLANTA
CHICAGO, SAN FRANCISCO
America's first wire fence—since 1883



World Famous
National history makes the background—modern perfection in hotel life makes the foreground at
The
WILLARD HOTEL
"The Residence of Presidents"
Washington, D. C.
H. P. SOMERVILLE, Managing Director

half a billion dollars in railroad securities. The eventual worth of many of these issues, especially in view of the recent trend in railroad stocks, is speculative. They may never yield the full face amount which the Secretary is carrying on his books.

The same may be said of much of the preferred stock in banks which the RFC holds. Many banks sold the RFC preferred stock to cooperate in the President's credit expansion program. But many others handed their stock to the Government because they needed the cash and were in a wobbly condition.

Similarly there have been many charges against the inadequate appraisal of collateral taken over by the Government, especially by the Home Owners Loan Corporation.

The newspapers' arithmetic, carrying out the Secretary's own inference, in a way points up this whole criticism. Nobody really expects that the net cost of the New Deal between March 4, 1933, and June 30, 1934, will turn out to be only \$505,000,000.

English taxes

HERE'S a recent compilation of the taxes paid by a resident of England with a salary of 1,000 pounds a year. It may comfort the taxpayer some or it may cause him unease as he sees possibilities of things yet to be taxed. For convenience, I've turned the figures into dollars at \$5 to the pound:

Income tax	\$765.62
Local rates	130.00
Motor license duty at \$5 per h.p. for 15 h.p. car	75.00
Gasoline duty, 17c a gallon for 10,000 miles at 25 miles to gallon	66.50
Whisky, one bottle a week taxes at \$2.12 a bottle	110.00
Entertain. tax at 25c on a \$1.25 seat twice weekly	26.00
Tobacco, 20 cigarettes a day taxed at 12c a packet	45.62
Tea and coffee	5.00
Sugar	6.25
Licenses, dog and radio	4.37
Two pence stamp duty on checks	13.00
TOTAL	\$1,247.36

A consolidated bank statement

FOR the first time the Federal Deposit Insurance Corporation gave out on September 6 a consolidated statement as of June 30 of all the insured banks in the country. It includes 5,417 National banks, 958 state bank members of the Federal Reserve, and 7,492 non-member state banks which are insured.

Omitted are mutual savings banks and private banks and the 1,164 uninsured commercial banks. The deposits of this latter group are but \$550,000,000 compared to \$35,000,000,000 in the insured banks.

All in all, it is a good-sized slice of American banking. The announcement says this is the first time such figures have been available so soon after the date of call.

Against the \$35 billions of deposits the banks had in cash something more than nine billions and 10 billions in Governments. Surely a highly liquid state if, in the face of H. Parker Willis' doubts, we assume that Governments are equivalent to cash. We have this extraordinary state of affairs:

The total deposits of the banks are covered by nearly a third in cash, nearly a third in Governments, and by a little more than 40 per cent in loans.

Business doesn't borrow

IF BANK loans are low in proportion to deposits, the efforts of government agencies to get money into the hands of business have not been very successful. Up to the end of August, the RFC had approved 104 loans totalling \$8,000,000; the Federal Reserve banks had advanced rather more than \$6,000,000, and the privately formed mortgage companies only about \$19,000,000 more.

Trade Ramifications

THE Government will peg the price of cotton at 12 cents through further loans on the present crop.

Judicious economists may grieve but manufacturers of automobiles may find occasion to rejoice. Motor vehicle registrations in 1933 dropped from 1932. Thirty states and the District of Columbia showed declines while 18 states showed gains. The first five of the 18 were Arkansas, Georgia, Oklahoma, Mississippi and Tennessee—all cotton states. Arkansas shot its registration of motor vehicles up nearly 40 per cent. With 12-cent cotton guaranteed by the Government they may do even better.

SPARE TIME TRAINING THAT HELPS YOU SPEED UP PROSPERITY!

Do you want to speed up prosperity—insure your early and large participation in the new jobs, promotions and salary increases—get fullest benefits from business pick-up? You can do it. For months, individual competition will be tremendous. Employers—up against new problems, fighting for survival and profits—will be able to pick and choose. Naturally they will prefer trained men

—men who have special ability to offer. If you wish this advantage, simply check the field of business in which you are interested. We will send full information about the opportunities in that field, tell how our complete success-building program helps you plan your future, trains you in your spare time, and works with you all through your career. Send the coupon NOW.

LA SALLE EXTENSION UNIVERSITY

Dept. 10374-R, CHICAGO

Please tell me—without cost or obligation—about your plan to help me insure and speed up my prosperity, in the business field I have checked.

- | | | |
|---|---|--|
| <input type="checkbox"/> Business Management | <input type="checkbox"/> Industrial Management | <input type="checkbox"/> Modern Salesmanship |
| <input type="checkbox"/> Higher Accountancy | <input type="checkbox"/> Modern Foremanship | <input type="checkbox"/> Business English |
| <input type="checkbox"/> Traffic Management | <input type="checkbox"/> Personnel Management | <input type="checkbox"/> Effective Speaking |
| <input type="checkbox"/> Law: Degree of LL.B. | <input type="checkbox"/> Modern Business Correspondence | <input type="checkbox"/> C. P. A. Coaching |
| <input type="checkbox"/> Commercial Law | <input type="checkbox"/> Expert Bookkeeping | |

Name

Address Town State

Can We Make Everybody Rich?

(Continued from page 40)

worst, year of depression, 1932, only 81,000 corporations reported net income; 366,000 reported net deficits.

If we take the figures from another angle, we get a different but no more cheering picture. The National Bureau's Bulletin figures the percentage of net profits (or losses) after tax to the book value of stock equity. On this basis, corporations netted 6.2 per cent in 1929 and lost 2.3 per cent in 1932.

As George E. Roberts puts it in a recent issue of the National City Bank Bulletin:

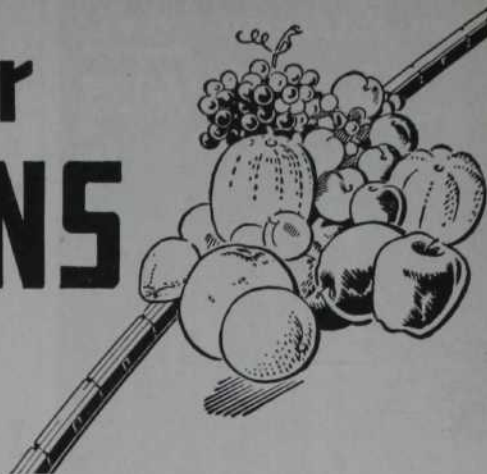
The revelation of outstanding importance is that the net earnings of the corporations available for distribution to their stockholders (itself a wide distribution) probably average less than five per cent of the sales-value of their products and services. This means that the possibilities involved in the popular demand for "a more equitable division" of current wealth production are necessarily confined to less than five per cent. It is impossible to divide any more than all there is, and that is all that the corporations have been getting over an average period of years.

In all these plans for "redistribution" we overlook one basic economic principle—the only thing that creates purchasing power is production.

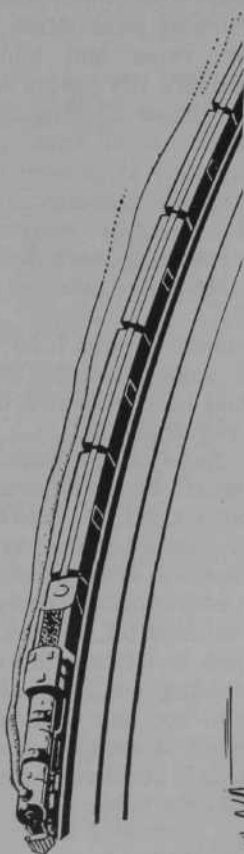
If we reduce things to their lowest terms, we still live by barter. Whether A makes a pair of shoes or a minute part of hundreds of pairs of shoes, his purchasing power comes from exchanging that pair of shoes or those hundreds of pairs of shoes for goods or services which someone else has produced. The shoemaker who gets his hair cut is trading through a roundabout process the shoes he has helped to make for the barber's skill with the shears. And there must in turn be a consumer need or labor ceases to be productive.

In a simple community the shoemaker makes a pair of shoes and trades them for food; in a more complex community he shares with others the task of making shoes, but still his purchasing power depends upon his productivity. Those others with whom he shares may not be working at a bench or a machine, but their purchasing power still depends on production. There is the bondholder who lent the money to build the factory, the shareholder who advanced a part of the working capital, the manager who directs operation or plans selling—all these have purchasing power only when there is production.

A CROSS COUNTRY RACE for VITAMINS



• Dietetic research has promoted the race for food values. The fresher the fruit or vegetable, the richer its vitamin content. That's why western shippers specify Erie in the rush across the continent to eastern markets. • Eastbound from Chicago, on the fastest and most reliable schedule to New York and New England markets, Erie refrigerator trains speed daily, carrying more western perishable products to these distribution points than any other railroad. This marked preference for Erie service indicates its ability to deliver your shipments on time and in good order. The Erie representative in your territory will show you how to cut your shipping costs.



THE HEAVY DUTY RAILROAD

Hand Firing \$1865
Iron Fireman \$840
Savings—\$1025



"IRON FIREMAN cut our fuel costs 54%"

... says A. A. Stokes, Vice-President, The J. F. Hartz Co., Limited, Toronto



A. A. Stokes, Vice-President, The J. F. Hartz Co., Limited.

● In January 1933, an Iron Fireman automatic coal burner replaced hand-firing at The J. F. Hartz Co., Limited, well known Canadian importers and manufacturers of surgical instruments and medical supplies. One year later the records showed that Iron Fireman firing had cut annual fuel costs from \$1865 to \$840—a saving of \$1025, or 54%.

Mr. A. A. Stokes, Vice-President, states: "Savings are greater than your estimate. Previous to Iron Fireman we used anthracite coal, hand-fired, in two boilers. Now Iron Fireman and one boiler carry the heating load easily."

Iron Fireman probably can make similar savings for you. You owe it to yourself to find out. Just ask your Iron Fireman dealer to make a survey and report on your business or residential heating plant. The facts may surprise you. Sizes for boilers to 300 h. p. and for homes. Quickly installed. Time payments.



IRON FIREMAN MFG. CO.
3022 W. 106th St., Cleveland, Ohio.

Type of plant:

- ☐ Send literature ☐ Commercial Heating
☐ Make firing survey ☐ Power ☐ Residential

Name.....

Address.....

★ THIS is one of a series of editorials written by leading advertising men on the general subject of advertising

Where Is the Line of Scrimmage in Travel Advertising?

IT is all very well to make a spectacular end run—if you happen to have the ball and a clear field! Most football games are won, however, right on the line of scrimmage. The same applies to advertising in general and travel advertising in particular!

Space representatives frequently come to my office with the argument that their particular publication has the circulation, rates and quality coverage that insure the proper kind of audience for cruise offerings.

"And in addition to all these plus values, our magazine at present carries no competitive steamship advertising. Your line therefore can make a particularly smart space purchase—getting the exclusive ear of our reader group."

If that argument would hold sea water, what a snap it would be to sell cruises! And how modest a budget would be required. But...

The homely facts of the case are that travel must be persistently, dominantly advertised in *markets where a travel consciousness has already been cultivated*. Travel sections of the great metropolitan newspapers, and the columns of certain national magazines, constitute the real "smart" advertising buy. In other words, people do not buy steamship cruises as a result of reading one ad but rather make a purchase after a survey of the whole field.

I say cruises because I know the travel business. Probably the same is true for automobiles and office appliances, insurance and locomotive cranes.

All of which points the old advertising moral that there is no royal road to profits—that it is only by spending advertising dollars that the cash register plays its symphony to best advantage—and that the way to get the touchdown is to get in there where the play is the thickest and make your bid for more yardage by persistence and drive!

EDMUND S. WHITMAN
United Fruit Company

Index of ADVERTISERS

October • 1934

	PAGE
A. P. W. Paper Company.....	9
Addressograph-Multigraph Corp.....	3
Allegheny Steel Company.....	7
Aluminum Company of America.....	50-51
American District Telegraph Co.....	56
American Telephone & Telegraph Company.....	2nd Cov.
American Tobacco Company.....	4th Cov.
Bakelite Corporation.....	61
Burroughs Adding Machine Company.....	35-63
Celotex Company, The.....	54
Chesapeake & Ohio.....	8
Chevrolet Motor Company.....	39
Chicago Tribune.....	84
Coca-Cola Co., The.....	83
Commercial Investment Trust, Inc.....	78
Cyclone Fence Company.....	58
Detex Watchclock Corporation.....	42
Dick, A. B., Company.....	14
Ditto, Inc.....	4
Dollar Steamship Lines.....	60
Ediphone, Thos. A. Edison, Inc.....	59
Egry Register Company.....	77
Erle Railroad.....	81
Felt & Tarrant Mfg. Co.....	46
Goodrich, B. F., Rubber Co., The.....	55
Goodyear Tire and Rubber Company.....	12
Hartford Steam Boiler Inspection and Insurance Company.....	41
Household Finance Corporation.....	10
Illinois Steel Company.....	69
International Nickel Company.....	45
Invisible Vacuum Cleaner Mfg. Co.....	62
Iron Fireman Manufacturing Company.....	82
John Hancock Mutual Life Insurance Co.....	70
Kimberly-Clark Corporation.....	52-70
La Salle Extension University.....	80
Lewis Company, A. H.....	64
Libbey-Owens-Ford Glass Co.....	43
Metropolitan Life Insurance Company.....	37
Monroe Calculating Machine Co.....	1
Mutual Fire Insurance.....	44
National Carbon Company, Inc.....	11
Northwestern Mutual Life Ins. Co.....	47
Page Fence Association.....	80
Prudential Insurance Company.....	76
Reading Iron Company.....	3rd Cov.
Remington Rand, Inc.....	57
Republic Rubber Company.....	68
Reynolds, R. J., Tobacco Co.....	49
Ronald Press Company, The.....	76
Schenley Products Company.....	2
Smith & Corona Typewriters, Inc., L. C.....	6-71
Standard Accident Insurance Co.....	73
Standard Register Company, The.....	72
Underwood Elliott Fisher Company.....	67
United Air Lines.....	62
Willard Hotel.....	80



*Don't expect to
be a Samson!*

THE DRINK THAT KEEPS YOU FEELING FIT FOR WHAT'S AHEAD

Everybody has his load to carry. Don't expect to be a Samson. Try a twist of the wrist with an ice-cold Coca-Cola. You'll bounce back to normal, even if you've lost your hair — feeling more like wading in, buckling down and coming out on top.

Coca-Cola Co., Atlanta, Ga.

5¢



A PURE WHOLESOME DRINK OF NATURAL FLAVORS

SEARCH *for* WOMEN



● CHICAGO DEPARTMENT STORES, appealing chiefly to women, placed more advertising in the Tribune during the first seven months of this year than they placed in any other Chicago newspaper.



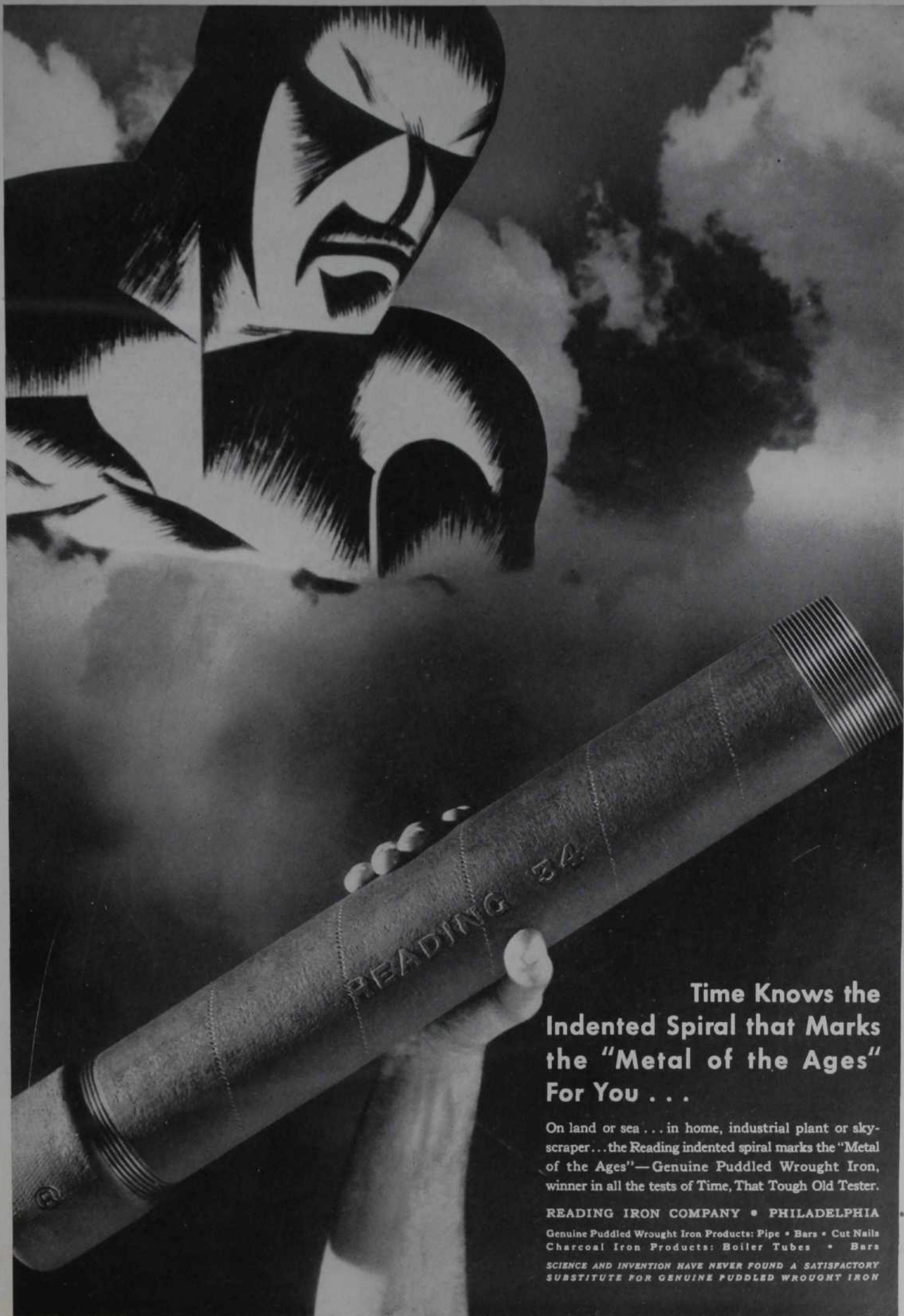
● TO GET THE VOLUME they need at their drug and toilet goods counters, Chicago Loop department stores during the first seven months of this year placed 112% more such advertising in the Tribune than in any other Chicago newspaper.



● WOMEN'S CLOTHING ADVERTISERS address their largest Chicago market through the columns of the Tribune. During the first seven months of this year the Tribune carried 154% more women's clothing advertising than any other Chicago newspaper.

The search for markets today is largely a search for women. Because the Chicago Tribune gives women what they want in a newspaper, it today commands the daily interest of the largest audience of women in Chicago and suburbs. Because it reaches so many more women, with money to buy, the Tribune pays out better for advertisers. As a result, merchants and manufacturers place more advertising—and more advertising appealing to women—in the Tribune than in any other Chicago newspaper. Ask a Tribune representative to give you complete information.

Chicago Tribune
THE WORLD'S GREATEST NEWSPAPER



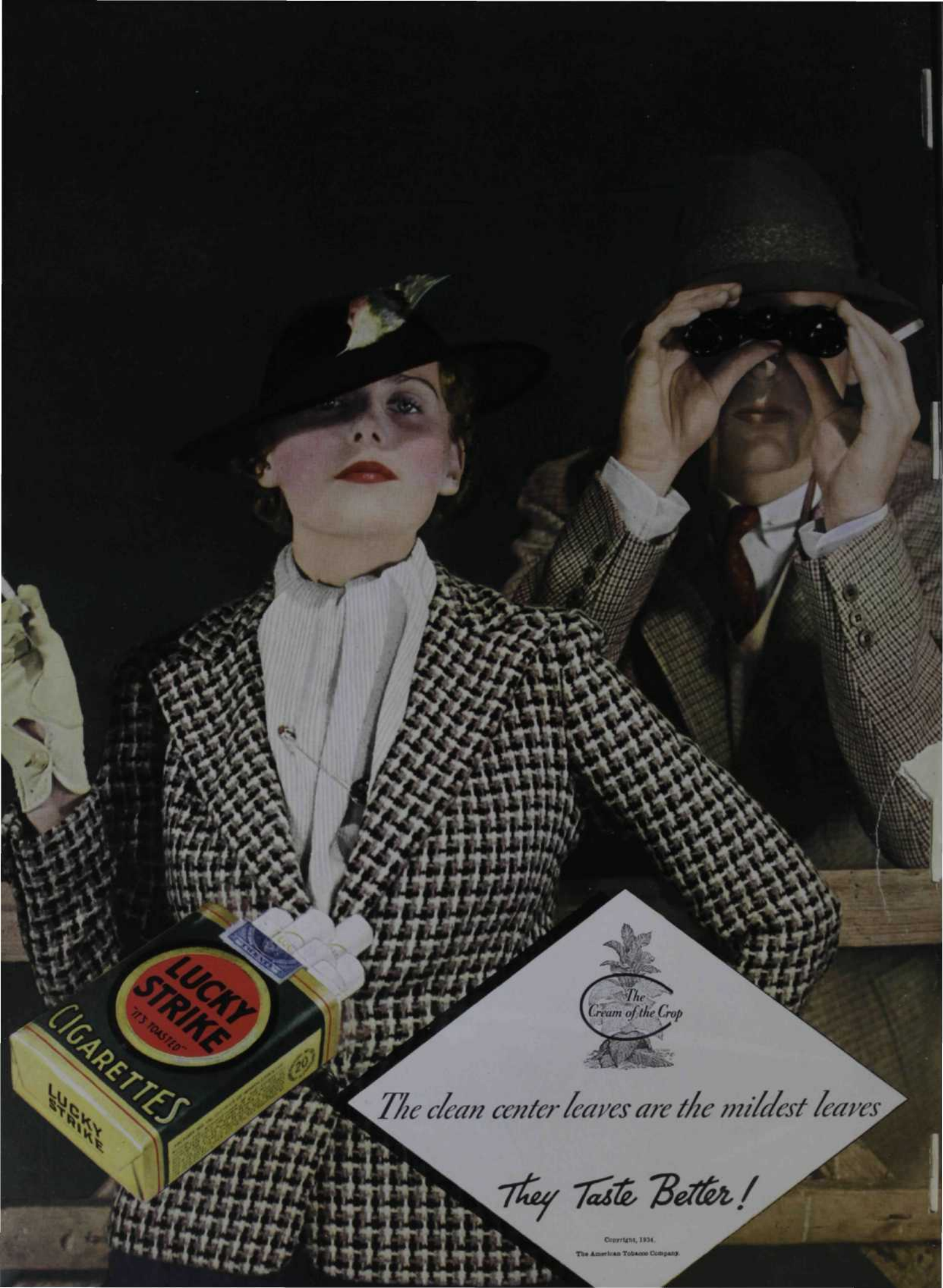
**Time Knows the
Indented Spiral that Marks
the "Metal of the Ages"
For You . . .**

On land or sea . . . in home, industrial plant or skyscraper . . . the Reading indented spiral marks the "Metal of the Ages"—Genuine Puddled Wrought Iron, winner in all the tests of Time, That Tough Old Tester.

READING IRON COMPANY • PHILADELPHIA

Genuine Puddled Wrought Iron Products: Pipe • Bars • Cut Nails
Charcoal Iron Products: Boiler Tubes • Bars

SCIENCE AND INVENTION HAVE NEVER FOUND A SATISFACTORY
SUBSTITUTE FOR GENUINE PUDDLED WROUGHT IRON



The clean center leaves are the mildest leaves

They Taste Better!

Copyright, 1934.

The American Tobacco Company